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Denmark	7.00 D.F.	Madagascar	0.00 Dn.	Spain	100.0
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Mondale Wins Iowa Caucuses; Glenn Is Fifth of 8 Democrats

By Howell Raines
New York Times Service

DES MOINES — Former Vice President Walter F. Mondale won a commanding victory in the Iowa Democratic caucuses Monday, and Senator John Glenn of Ohio, running far back in the eight-candidate field, suffered a defeat that threatened to seriously damage his presidential candidacy.

Senator Gary Hart of Colorado came in second, and George S. McGovern, the former senator from South Dakota who was the Democratic presidential nominee in 1972, was third.

Senator Alan Cranston of California trailed them, falling short of his announced goal of an undisputed third-place finish, and Mr. Glenn was fifth in the field. Both Mr. Cranston and Mr. Glenn placed behind votes for uncommitted delegates.

Trailing the field were former Governor Reubin Askew of Florida, the Rev. Jesse L. Jackson and Senator Ernest F. Hollings of South Carolina. Neither Mr. Jack-

son nor Mr. Hollings campaigned actively in Iowa.

Although the results were not complete, it appeared that about 84,000 Democrats had turned out for the caucuses.

According to Democratic Party figures, quoted by The Associated Press, with 94 percent of the 2,495 precincts reporting, the percentages were:

Glenn must revitalize his campaign in time for three Southern primaries in March. Page 3.

Mr. Mondale — 48.9 percent
Mr. Hart — 16.4 percent
Mr. McGovern — 10.2 percent
Uncommitted — 9.3 percent
Mr. Cranston — 7.4 percent
Mr. Glenn — 3.4 percent
Mr. Askew — 2.4 percent
Mr. Jackson — 1.5 percent
Mr. Hollings — 0.4 percent
Others — 0.2 percent

The race for second and third places was watched closely because of strategists' predictions that only those candidates would have a

chance of catching Mr. Mondale in this year's campaign.

But even in a state where voters like to shake up campaign rankings, no one had predicted the poor showing of the man expected to be Mr. Mondale's main opponent.

Mr. Glenn's strategy of depending on his personal celebrity as an astronaut rather than grass-roots organization appeared to put him at an insurmountable disadvantage.

Mr. Mondale, on the other hand, depended on a big, disciplined organization that sent out an estimated 1,000 door-to-door canvassers Monday.

Polling by CBS News of voters leaving the caucuses indicated a widespread rejection of Mr. Glenn's central theme: that he was the Democrat most likely to defeat President Ronald Reagan in the fall. The pollsters found that three-fourths of those voting for Mr. Mondale did so because they regarded him as the party's strongest opponent to Mr. Reagan.

At his hotel in Des Moines on Monday night, Mr. Mondale said the vote represented "a great victory," that rested on the same appeal he will use in the next test of his campaign, the New Hampshire primary on Feb. 28.

Mr. Mondale said the results indicated that voters "want a more civilized dialogue" among Democrats. He was condemning speeches and television commercials in which his opponents have questioned his leadership ability and his independence from labor and other groups that have endorsed him.

"It's my impression that there has been a negative reaction against these charges," Mr. Mondale said.

Iowa has an outside influence in the Democratic nominating process. Since 1972, when Mr. McGovern started his roll to the nomination by finishing a stronger-than-expected second, Iowa's caucuses have been watched as trend-setting events almost equal in importance to the New Hampshire primary.

Those attending Monday's Democratic caucuses were electing delegates to county conventions, who in turn will select delegates to the May 5 congressional district conventions and the June 9 state convention. At the end of that process, Iowa's national convention delegation, which will account for 58 of the 3,933 delegates in San Francisco, will have been chosen.

Mr. Hart, Mr. Glenn and Mr. (Continued on Page 3, Col. 1)



Former Vice President Walter F. Mondale and his wife, Joan, celebrate victory in Iowa.

Editor Says '82 Invasion of Lebanon Thwarted PLO Recognition of Israel

By David K. Shipler
New York Times Service

JERUSALEM — An Israeli editor and leftist politician, Uri Avnery, said Tuesday that before Israel invaded Lebanon, the Palestine Liberation Organization had negotiated with the United States a statement recognizing Israel and had scheduled it for release in Paris on June 14, 1982.

The Israeli invasion took place June 6, provoking the PLO to cancel the announcement, Mr. Avnery said in a telephone interview.

He said that the information had come to him from the late Dr. Issam Sartawi, the PLO's roving ambassador. Dr. Sartawi, an outspoken moderate, was assassinated in April 1983 at a meeting of the Socialist International in Portugal.

According to Dr. Sartawi's account as reported by Mr. Avnery, the negotiations between the PLO and the United States were conducted through Tunisia, apparently paralleling contacts at the same time through John Edwin Mroz, a specialist in Middle East affairs.

Mr. Avnery is a former member of the Knesset, Israel's parliament, and editor of Haolam Hazeh, a leftist magazine. He has frequently met with PLO officials.

One of those meetings, in England, was the genesis of the Mroz and Sartawi initiatives, he said.

Since 1975, U.S. policy has been based on a pledge to Israel that Washington would not recognize or negotiate with the Palestinian organization until it acknowledged Israel's right to exist and accepted relevant United Nations resolutions. Dr. Sartawi's effort, Mr. Avnery said, was to get the PLO to satisfy the American condition.

"By the end of 1981," Mr. Avnery said, Dr. Sartawi "got the green light from Yasser Arafat to try to get American-PLO negotiations started. He had conversations with Bruno Kreisky in Vienna, with officials of the British Foreign Office in London, the Elysée Palace in Paris and the European Economic Community in Brussels, and he decided that the best intermediary would be Tunisia."

Mr. Arafat is chairman of the PLO and Mr. Kreisky was then

chancellor of Austria. According to Mr. Avnery, Dr. Sartawi met with President Habib Bourguiba of Tunisia, who sent Prime Minister Mohammed Mzali to Washington.

"I'm not sure whom he met in Washington," Mr. Avnery said. "I believe it was Haig," he said, referring to Alexander M. Haig Jr., then secretary of state. "But I'm not certain. He talked with people there and came back to Tunis and said he had a positive response."

Then, he added, over the next months "there was an exchange of messages to prepare the statement that the PLO was supposed to give. The PLO wanted to be sure that the text of the declaration would be acceptable to the Americans, wanted the Americans to commit themselves in advance that the text would satisfy the demands."

Eight days before Mr. Sartawi was to read the PLO statement, Mr. Avnery said, the Israeli Army invaded Lebanon and "Issam Sartawi said he was sure he was double-crossed by Alexander Haig."

Israeli Army Makes a Foray South of Beirut

Compiled by Our Staff From Dispatches

BEIRUT — Israeli troops advanced to within 20 kilometers (12 miles) of Beirut on Tuesday as U.S. marines said they had received final orders to withdraw to ships off the Lebanese coast.

Witnesses said a column of 36 Israeli tanks, armored personnel carriers and trucks took up positions for more than six hours north of their lines along the Awali River but later withdrew.

They said the troops had first appeared to be establishing fixed positions, but a spokesman at Israeli military headquarters in southern Lebanon said their presence there was temporary.

Prime Minister Yitzhak Shamir, speaking at a news conference in Brussels, described the operation as a patrol excursion and said Israel had no intention of moving its front line north of the Awali or of returning to Beirut.

Mr. Shamir said Israel hoped that, eventually, a locally recruited Lebanese force might be able to replace Israeli troops occupying southern Lebanon and secure Israel's northern border.

In Tel Aviv, Defense Minister Moshe Arens told a closed meeting of politicians from the ruling Likud party that army patrols had probed 12 kilometers north of the Awali in search of Palestinian guerrillas, Israeli Army radio reported.

Mr. Arens reportedly described the operation as the biggest of 30 Israeli patrols since Israeli forces in Lebanon pulled out of the Chuf mountains and redeployed along the Awali near Sidon last September.

Interviewed on Israeli Radio, Mr. Arens said that the air strikes and the patrols were not meant to support the beleaguered government of President Amin Gemayel but rather were aimed at defending the security of Israeli soldiers in Lebanon and of Israeli territory near the Lebanese border.

"We are not allies of Gemayel," Mr. Arens said. "Lebanon doesn't even have diplomatic relations with Israel. We are defending our interests, and we must protect, to the best of our ability, the lives of our soldiers. At least until now, the operations of the air force and the land forces north of the Awali have proven effective."

The Israelis were seen manning

positions at the southern entrance of the town of Damour, 20 kilometers south of Beirut, the farthest north they have been sighted since they withdrew to the Awali.

The column then split up to take positions at Damour and two other points a few kilometers farther south, witnesses said.

Later, dozens of Israeli vehicles were seen pulling back to the Awali.

At the U.S. Marine base at Beirut International Airport, an army spokesman, Colonel Ed McDonald, said the 1,300 remaining marines had received orders "to embark aboard ship." He said the operation would take place over the next few days.

President Ronald Reagan announced on Feb. 7 that the marines would be withdrawn, except for a small force that would remain to guard U.S. facilities and to train the Lebanese Army. He made the decision as the U.S.-backed government and army of Mr. Gemayel crumbled under a series of political and military defeats by Moslem forces.

In the past two weeks, Israeli armored columns have regularly come north of the Awali crossing point in southern Lebanon. Israeli planes have bombed targets near Beirut twice in three days.

Israeli military officials say the purpose is to stop Palestinian guerrillas from moving south through Druze lines to Israeli positions and to demonstrate to Druze forces that Israel expects them to keep the guerrillas out.

Israeli planes bombed targets in the mountains within sight of Beirut on Tuesday.

They bombed villages on a ridge east of the capital in an area around the mountain town of Bhamdoun, which Israeli planes also hit on Sunday.

Syrian-backed Druze militias are the main force in the area, but pro-Syrian Palestinian guerrilla groups also maintain a small presence there, and Syrian troops are stationed a few kilometers to the east.

Ten Israeli planes took part in the attack, according to radio reports, and an Israeli spokesman said they all returned to base after hitting "terrorist targets" in Beirut said, meanwhile, that Syria appeared to be in favor of Moslem demands for Mr. Gemayel's resignation, although Damascus has not called for his removal.

The sources said Syria's sole public condition for backing a settlement in Lebanon was outright cancellation of last May's troop withdrawal agreement between Lebanon and Israel.

This was relayed to Mr. Gemayel on Monday by the Saudi mediator, Rafiq Hariri, after talks in Damascus between Syrian officials and Lebanese opposition leaders, the sources said.

The sources added that Saudi Arabia had proposed a new four-point initiative involving:

- Appointment of a new prime minister.
- Public abrogation of the Lebanese-Israeli agreement by Mr. Gemayel and the prime minister-designate.
- Resumption of a national reconciliation conference at Geneva to discuss political reforms.
- Subsequent formation of a cabinet by the new prime minister. (Reuters, NYT)

Russia Makes Concession In Chemical Arms Talks

Reuters

GENEVA — The Soviet Union, in its first major arms control statement under the leadership of Konstantin U. Chernenko, made Tuesday what Western experts said was a significant concession in negotiations to outlaw chemical weapons.

Viktor I. Issareyan, the chief Soviet negotiator at the Geneva Disarmament Conference, announced that Moscow would agree to the principle of permanent on-site verification of the destruction of chemical weapons by international inspectors.

The question of verification has been the main block to a chemical weapons treaty, under discussion by the conference since 1978.

Moscow believes occasional verification is sufficient, Mr. Issareyan said, but it had decided to accept "the principle of permanent verification" to "unravel one of the most complicated and major tangles in the negotiations."

Later, Louis G. Fields Jr., the U.S. delegate, said Washington welcomed the statement. He said, however, that "while this appears

to represent a breakthrough in one facet of the chemical warfare negotiations, there remain many equally difficult outstanding issues to be resolved."

Another Western delegate, who asked not to be named, said, "The Soviet change on permanent verification is significant, but we will not know how significant until we get down to substantive negotiations."

Soviet Use of Chemicals
The U.S. State Department told the United Nations Tuesday that Soviet use of chemical weapons in Afghanistan dropped sharply last year as had the use of Soviet-supplied chemical weapons in Cambodia and Laos. The Associated Press reported from Washington.

In previous years, the administration had charged that more than 10,000 people were killed by chemical weapons in the three nations, where resistance fighters are opposing Communist governments.

The State Department report noted that the United States was unable to confirm a single Soviet chemical weapons attack last year in Afghanistan.

Road Tie-Ups Spreading in West Europe

Compiled by Our Staff From Dispatches

PARIS — Striking French truck drivers blocked roads around Paris Tuesday while the traffic jams that have gripped France for a week spread to border areas of Italy, Switzerland and Austria as Italian customs officials resumed their own slowdown.

In France, as government-union talks began, truckers blocked roads between Charles de Gaulle Airport at Roissy, Paris's chief international air terminal, and the capital, causing crowds of flight passengers to jam the suburban rail link.

In the Alps, more than 500 trucks lined up near Courmayeur, the Italian resort at the mouth of the Mont Blanc tunnel. Swiss police said more than 1,000 trucks were blocked on both sides of the border at Chiasso, the main crossing point for north-south traffic passing through Switzerland.

At the Brenner Pass, the busiest road link connecting Italy, Austria and West Germany, hundreds of trucks were stopped on the first day of a three-day slowdown by Italian customs officials.

In Dublin, Irish truckers, protesting the chaos on French highways, parked eight tractor-trailers on the road President Francois Mitterrand of France was to use after talks with Irish officials Tuesday. Mr. Mitterrand's motorcade took a detour to avoid the blockade.

Meanwhile, French coal miners, protesting planned job cuts, decided to hold a national demonstration in Paris on March 2. On Tuesday, they ended a strike that shut down the majority of French mines for two days.

In Paris, Transport Minister Charles Flerman and the two associations that represent most of France's 32,000 independent truckers opened negotiations on how to end the blockades, which started Thursday. Later Tuesday, the government said it would immediately ease border-crossing procedures for truckers and organize more talks.

Mr. Flerman said the government proposed to set up permanent links with the Italian authorities to prevent future traffic delays at border crossings in the Alps. He also said 5 million francs (about \$1 million) would be made available to



Foreign Minister R.F. Botha, left, making the first South African ministerial visit since Mozambique's independence in 1975, met President Samora Machel Monday in Maputo.

East Germany Becomes Advocate of Détente

By William Drozdiak
Washington Post Service

BERLIN — East Germany, long considered an obedient supporter of hard-line diplomacy as dictated by Moscow, is now emerging as one of the East bloc's strongest advocates of détente and cooperation with the West.

Spurred by public discontent with the economy and anxiety about nuclear weapons, the Communist government of Erich Honecker is courting fresh trade and financial deals with Western countries and urging early progress toward arms control in ways that no longer suggest a complete identity of views with the Soviet Union.

Western diplomats noted that Mr. Honecker was "clearly uncomfortable" with the Soviet decision last November to withdraw from Geneva negotiations on medium-range nuclear missiles in Europe and the subsequent deployment of new Soviet-built nuclear weapons on East German soil.

The possibility that such dismay

in East Germany and other Warsaw Pact countries might be exploited to coax the Soviet Union back to the Geneva arms talks is believed to figure highly in the visit to Berlin this week by the U.S. assistant secretary of state for European affairs, Richard R. Burt.

Mr. Burt, who will later visit Bulgaria and Hungary, will be holding the first substantive foreign policy discussions in East Germany by a senior administration official. Other U.S. delegations have covered trade and agriculture issues.

Mr. Burt met Tuesday with Hermann Axen, the East German Politburo member responsible for international affairs, and said he had told him of President Ronald Reagan's firm desire to achieve meaningful and verifiable arms reductions for improved East-West relations.

Mr. Burt said he had also told Mr. Axen that the United States was ready at any time to resume both the medium-range and state-

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■ The political opposition in the Philippines is seriously split over participation in elections.

Security Accord Is a First for Pretoria

Maputo Pact Seen as Recognizing S. African Legitimacy

By Glenn Frankel
Washington Post Service

CAPE TOWN — White-ruled South Africa, long considered a political untouchable by the rest of the continent, is about to achieve what a few months ago was widely held to be impossible: a formal security agreement with one of its black-ruled Marxist neighbors.

The South African foreign minister, R.F. Botha, returned from Maputo late Monday after eight hours of talks with Mozambican officials with a commitment that the two nations would sign a nonaggression pact as soon as possible.

His visit touched off speculation here that President Samora Machel of Mozambique, who met with Mr. Botha and two other senior South African cabinet ministers for 90 minutes Monday, would hold a summit meeting within the next few weeks with Prime Minister Pieter W. Botha of South Africa to sign a formal security agreement.

While details of the pact have not been worked out, Foreign Min-

ister Botha said Monday night that the "two governments will not allow any form of subversion against each other."

For Pretoria, that means obtaining guarantees from Mozambique that it will not allow its territory to

be used as a launching pad for attacks inside South Africa by the African National Congress, the main black nationalist movement dedicated to overthrowing white rule.

For Maputo, it means a South African pledge not to support the Mozambique rebel group, the Mozambique National Resistance, whose insurgents are pursuing a campaign of economic sabotage and violence that has exacerbated the country's desperately serious economic problems.

But implicit in the pact is something possibly even more important for South Africa — a recognition of its legitimacy that it long has sought but never received from any

politically significant, independent black state.

A similar agreement last week to form a joint committee with South Africa to monitor the cease-fire now in effect along the Angolan border with the South African-controlled territory of South-West Africa, also known as Namibia.

But political analysts say a formal nonaggression pact goes several steps further, effectively committing Mozambique to helping defend South Africa's borders by blocking guerrilla attacks.

"It gives the seal of approval for the South African government," said Michael Spicer of the South Africa Institute of International Affairs in Johannesburg. "It could prove quite costly in political terms for the Mozambicans."

South Africa's right to exist as a state dominated by a white minority has never been recognized by the Organization of African Unity, of which Mozambique is a prominent member. Mozambican diplo-

Mikhail Sholokhov, Disputed Author Of Soviet Epic Novel, Is Dead at 78

By William Drozdiak
Washington Post Service

MOSCOW — Mikhail Sholokhov, 78, the Nobel prize-winning Soviet writer whose later years were clouded by accusations of plagiarism over his epic novel "And Quiet Flows the Don," died Monday night, a spokeswoman for the Soviet Writers' Union said Tuesday.

She said the author died at his home in the village of Veshenskaya in the southern region of Rostov, but she refused to give details of the cause of death.

Mr. Sholokhov, a staunch supporter of the Soviet system from the 1920s through Stalinism to the present day, was upheld by the Kremlin establishment as the country's leading writer and had received seven Orders of Lenin. He bitterly condemned the dissidents of the 1970s, once implying that in the 1920s they would have been shot, and he flung crude insults at writers such as Alexander Solzhenitsyn.

Mr. Sholokhov was famous chiefly for "And Quiet Flows the Don," a four-volume epic about

revolution and civil war coming to the coasts of the Don River area. The novel, which was published between 1928 and 1940, earned Mr. Sholokhov a worldwide reputation and was the major reason he was awarded the Nobel Prize for Literature in 1955.

In 1974, Mr. Solzhenitsyn published a study alleging that the book had not been written by Mr. Sholokhov at all, but largely by Fyodor Kryukov, a cosack writer who was strongly anti-Communist. Mr. Kryukov died in 1920.

A historian, Roy Medvedev, also disputed Mr. Sholokhov's authorship and said that at 23 he was too young to have published such a detailed novel about cosack life, something which has also caused doubts among other Russian literary experts.

The novel's hero is torn between his loyalty to the cosacks and the Bolshevik forces they are fighting, and Mr. Medvedev argued that Mr. Sholokhov had never shown any sympathy in other writings for anyone but Bolsheviks.

Mr. Sholokhov did not respond, but the government daily, Izvestia, hit back with a 5,000-word article rejecting all arguments challenging Mr. Sholokhov's authorship.

Mr. Sholokhov, who wrote little in his last 20 years, became one of the great exponents of the orthodox Soviet style of Socialist Realism, dealing with heroic, working-class characters intended to serve as models to the reader.

Mr. Sholokhov was born on May 24, 1905, on a farm near Veshenskaya, the son of a cattle trader. His schooling was disrupted by the 1917 Revolution and subsequent civil war. He joined the Red Army as a machine-gunner at the age of 15.

In 1922, he went to Moscow to work as a stenographer and there began his literary activity, publishing his first book at the age of 20.

In the 1960s and 1970s, Mr. Sholokhov launched a series of veiled literary attacks on disgraced or dissident writers, usually describing them as insects or vermin. Boris Pasternak, author of "Doctor Zhi-



Mikhail Sholokhov

vago," was a hermit crab in one such piece. Mr. Solzhenitsyn is a beetle in another.

Mr. Sholokhov was one of the few Soviet writers never to have gotten into trouble with the authorities, and editions of his works are always available in bookshops, which often have only limited supplies of most other titles.

Gemayel's Lease on Political Life Seems Near Its End

By David B. Ottaway

Washington Post Service

BEIRUT — President Amin Gemayel, to all appearances, is trapped in an impossible position between three outside powers, none of whose support he can count on, and is nearing the end of his political life.

In this light, his ill-fated gambit of offering Syria a set of "concessions" that Muslims and Christians alike have immediately seen as unacceptable to Damascus has done little more than earn him another few days' lease on his political life while negotiations continue with the Syrians.

Muslim-dominated West Beirut no longer accepts Mr. Gemayel as president, and his realm, which never extended much beyond the city limits of Beirut, is reduced to the presidential palace in Baabda and Christian East Beirut.

He can no longer count on his full U.S.-trained army, shattered by defections, desertion and religious strife. The army numbered at least 12,000 to 13,000 men still believed loyal to his government.

Syrian-backed Druze militia forces are poised for an assault on the army's last stronghold in the

mountains southeast of the capital at Souk el-Gharb, whose fall would open the way to their march on the presidential palace at Baabda, three miles (4.8 kilometers) below.

Many Christians fear that President Ronald Reagan, who only last September declared Souk el-Gharb vital to U.S. interests and ordered

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warships to help defend it, no longer cares whether it falls and will not repeat those orders.

The remaining hope for the Gemayel government, in the view of many, is Israel, which shows increasing signs of discontent with the return of Palestinians to the Beirut area. Israeli patrols have pushed northward from the Awali River to Damour. Israeli jets have pounded what Israel said were new Palestinian positions there and in the mountains.

But even among the Christians, few believe Israel is ready to save Mr. Gemayel even if he decides to implement the 1983 Lebanese-Israeli agreement, because of strong domestic opposition to any further military ventures in Lebanon.

No outsider knows exactly what Mr. Gemayel is thinking of the apparently waning U.S. support for his government. But Christian

leaders are saying openly that the United States has abandoned yet another ally and that it will pay dearly for its mistakes here and elsewhere in the Middle East.

A former Christian cabinet minister and longtime observer of U.S. foreign policy recently spoke of a meeting he had with Mr. Gemayel last fall. He said he had warned Mr. Gemayel not to depend too heavily on the advice and support of Washington because of its many conflicting interests in the Middle East. He reminded Mr. Gemayel of the fate of other U.S. allies who he said had made that mistake, including Ngo Dinh Diem of South Vietnam, Adnan Menderes of Turkey, Zulfikar Ali Bhutto of Pakistan and the shah of Iran.

A deeply disappointed Naoum Farah, the Phalangist Party foreign affairs spokesman, who like many East Beirut Christians is troubled by the American posture, called the current situation "a major global defeat for Washington" and "a time bomb" that will blow up in the years to come.

If President Hafez al-Assad of Syria "succeeds in putting his grip on Lebanon," Mr. Farah said, "after that it will be the turn of Jordan and King Hussein and then the rulers of the Gulf.... If the United States cannot do it with the Ma-

lines and the task force it has here, how can the United States deal with the Iranian threat in the Gulf?"

While Druze radio has begun calling Mr. Gemayel "the shah of Baabda," it is not clear yet whether the comparisons of his situation to those of other ill-fated U.S. allies is valid. But, like others, he has belatedly offered a series of concessions and reforms only to find that they are, as his chief Druze opponent, Walid Jumblat, said, "too late and too little."

The latest examples of these concessions came in what Mr. Gemayel apparently erroneously described as "King Fahd's plan" to resolve the current crisis. Its eight points, drawn up as the Saudis tried to mediate, appeared to be a carefully devised Lebanese plan to avoid making the very hard decision of whether to abrogate the divisive 1983 Lebanese-Israeli troop withdrawal accord, which requires choosing between Lebanon's two powerful enemy neighbors, Syria and Israel.

The plan links abrogation of the accord to new negotiations with Israel to ensure the security of its northern borders and the simultaneous withdrawal of Syrian and Israeli troops, all as part of a package deal. It attempts to please Wash-

ington, Tel Aviv and Damascus at the same time and to maintain U.S. support for the Gemayel government.

Syria flatly rejected the proposals and demanded that Mr. Gemayel unilaterally abrogate the 1983 accord before it will discuss other steps that might extricate him from his present isolation.

Muslims and Christians saw the plan as unacceptable to Syria if only because it calls for the simultaneous withdrawal of its forces and those of Israel, a demand that Damascus could only interpret as an insult.

In other countries in similar circumstances, the leader would probably be regarded as finished. But Lebanese analysts keep reminding outsiders of Lebanon's history.

For example, Mr. Gemayel could be driven from the presidential palace by force and remain president. Something similar happened in May 1976, when President Suleiman Franjeh had to abandon the palace under heavy artillery fire from Palestinian and Lebanese leftists seeking to overthrow him. Among them were the Druze, then led by Walid Jumblat's father, Kamal, who was assassinated the following year.

Mr. Franjeh, swearing that the only way he would be forced out of



Amin Gemayel

office was "in a coffin," moved the presidency to the Christian mountain heartland and hung on until the new president, Elias Sarkis, took office in September 1976.

Interestingly, Mr. Gemayel has now turned to Mr. Franjeh, a member of the opposition National Salvation Front, for solace and for mediation between him and both Syria and Mr. Jumblat.

WORLD BRIEFS

9 More Reported Killed in Punjab

NEW DELHI (Reuters) — New Hindu-Sikh violence rocked the state of Punjab in northern India Tuesday night as gunmen shot and killed nine persons and injured at least 12 in two villages, the Press Trust of India news agency reported.

The agency gave no details about the identities of the dead or the attackers, but informed sources said that all nine victims were Hindus and the attackers were Sikh extremists. In an effort to prevent reprisal attacks, Indian agencies do not identify the sides involved in communal violence.

The killings brought the total deaths in eight days of violence in Punjab and the neighboring state of Haryana to 37, with about 300 injured.

Spain Protests EC Entry Conditions

BRUSSELS (Combined Dispatches) — Spain, especially protesting Tuesday proposed restrictions by the European Community on its fruit and vegetables as negotiations opened on the farming terms of Spain's entry to the community, expected by 1986.

After a negotiating session Tuesday, the French minister of external relations, Claude Cheysson, said that all present member states agreed on Sept. 30 target date for an end to the negotiations on Spain's entry.

The community proposals, made final Monday after two years of disputes, mean farm trade barriers would be scrapped within a decade of Spain's entry. The group's Mediterranean states had held up talks, fearing that a flood of cheap Spanish fruit, vegetables, wine and olive oil could ruin their farmers. (Reuters, AP)

Strikes in Rome Begin a Day Early

ROME (AP) — A series of strikes began in Rome on Tuesday, a day early, as workers protested the government's decision to limit automatic wage increases.

The Communist wing of the General Union of Italian Workers, a majority in the 3.5-million member union, called a 24-hour general strike Wednesday in the Rome region. Railroad workers, however, walked off their jobs Tuesday afternoon, and the state railways reported up to two-hour delays on long-distance trains leaving Rome, with some local trains canceled.

The protests have split Italy's powerful labor movement. Giorgio Benvenuto, the Socialist labor leader, said the strikes were "irresponsible" and said "at this point, the union federation is finished." Wednesday's planned strike threatens to paralyze airports and public transportation and to close newspapers, schools, factories and public offices.

Bonn Coalition Outlines Tax Cuts

BONN (Reuters) — Chancellor Helmut Kohl's three-party coalition agreed Tuesday on preliminary outlines of major income-tax cuts that are a major part of the government's economic strategy, government sources said.

Preliminary talks attended by ministers and party leaders set a ceiling on cuts of 25 billion Deutsche marks (\$9.3 billion) a year, but left timing and financing open. Finance Minister Gerhard Stoltenberg is seeking to finance about half the cuts through higher indirect taxes and reduced subsidies, but no decisions were made.

The sources said the Finance Ministry would submit a first draft of a tax-reform program by the end of May.

Nicaragua Sets November Elections

MANAGUA (AP) — The Sandinist government will hold elections for president and vice president on Nov. 4, the coordinator of the Nicaraguan junta, Daniel Ortega Saavedra, announced Tuesday. Both officials will serve six-year terms, Mr. Ortega said.

The elections, which had not been expected before 1985, would be the country's first since the Sandinist National Liberation Front toppled the government of Anastasio Somoza in July 1979. The junta asked the Council of State, an appointed body that serves as the legislature, to extend voting rights to people 16 years of age and older.

Carlos Nunez Teller, president of the council, said the Sandinists were committed to "fair, free and honest" elections. The pledge followed a warning by Sandinist opponents that they would boycott the elections unless the government lifted a state of emergency in effect for nearly two years and met other demands.

Paraguay Assailed on Human Rights

LONDON (AP) — Amnesty International, the human rights organization, has attacked the government of Paraguay for the arrest, torture, disappearance and forcible expulsion of citizens trying to exercise basic human rights.

In a report for release Wednesday, the London-based group said that Paraguayan jails held about 50 political prisoners in October 1983, "many of them regarded by Amnesty International as prisoners of conscience."

The group also called on the government of President Alfredo Stroessner, who has ruled the country since 1954, to account for 45 persons who it said disappeared after being arrested or abducted or who died under unclear circumstances. It said many were active opponents of the government.

Soviet Condemns U.S. Arms Policies

MOSCOW (AP) — The Soviet press on Tuesday renewed its attack on U.S. arms control policy, denouncing what it called "reckless, adventurist actions" and restating Kremlin demands that the NATO missile deployment be canceled.

Three major national daily newspapers and the news agency Tass ran lengthy commentaries on arms control. The Tass report made clear that Soviet conditions for returning to the Geneva talks remained as they were before the death of Yuri V. Andropov on Feb. 9.

"The Soviet Union is ready to resolve on an equal footing the problem of nuclear weapons in Europe," wrote Yuri Kornilov, the leading Tass arms control analyst. "This takes one step," he said, "before it is too late, the United States and NATO should display readiness to return to the situation which existed prior to the commencement of deployment of Pershing-2 and cruise missiles."

Warsaw Priest Asks End to Protest

WARSAW (UPI) — A Catholic priest, whose removal from his parish prompted an angry protest by parishioners, asked his supporters Tuesday to end a church sit-in and follow their bishop's orders.

The Rev. Mieczyslaw Nowak returned to his former parish and appealed to the protesters to end their action, witnesses said. The church takeover, which began last weekend, had grown into a major challenge to Cardinal Jozef Glemp's authority before Rev. Nowak stepped in to appeal for calm.

Rev. Nowak, who was transferred to a small village parish last week, was the focus of the protest at St. Joseph's Church in Ursus, a Warsaw neighborhood known for its sympathy with Solidarity, the outlawed trade union movement. Cardinal Glemp personally ordered Rev. Nowak's removal, allegedly because he felt the 37-year-old priest was too critical of the Communist regime. The resulting outburst, in which Cardinal Glemp was accused of yielding to political pressure from the government, was an unusual challenge to church authority.

South African Policeman Sentenced

JOHANNESBURG (Reuters) — A white South African security policeman began a 10-year prison sentence Tuesday after being found guilty of killing a black political detainee.

Lawyers said that Sergeant Jan Van As, 27, appeared to be the first member of the security police to be convicted of killing a detainee in South Africa. Sergeant Van As has denied shooting Parris Malaisi, 23, during interrogation in the black township of Soweto last July, saying that Mr. Malaisi committed suicide after grabbing his gun.

Justice F.N. Kirk-Cohen, passing sentence in the Rand Supreme Court, said that Sergeant Van As had not intended to shoot Mr. Malaisi but had acted cold-bloodedly by holding a loaded gun to the prisoner's head in an attempt to intimidate him. (AP)

For the Record

Egypt and Israel have named a retired U.S. diplomat, Victor H. Dixon, as head of the Rome-based Multinational Force and Observers headquarters, succeeding Leonard R. Hunt, who was assassinated outside his home in Rome last week, the organization said Tuesday. Mr. Dixon, 60, was the deputy director of the Multinational Force's Sinai peacekeeping organization between January 1982 and September last year. (AP)

A junior British Foreign Office minister will visit Paris this week for talks on a row over black British tourists. France, which accepts British tourists with identity cards instead of passports (or short-term visas), has turned back hundreds of black Britons, fearing illegal immigration. (Reuters)

David, a 12-year-old boy who was born without immunity to disease and lived almost all his life in a sterile bubble, slipped from serious to critical condition Tuesday as doctors treated a fluid buildup in his heart and lungs, officials at a Houston hospital said. David, whose last name has not been disclosed, was removed from the public Feb. 7 after suffering flu-like illnesses, diarrhea and vomiting. (AP)

Hong Kong Restructures Its Politics To Prepare for China's Takeover

By Dinah Lee

Washington Post Service

HONG KONG — A new Chinese saying circulating in Hong Kong goes, "The more rights we have, the less security."

It describes in ironic terms the effect that Beijing's promise of democratic freedom, under Chinese sovereignty after 1997, has on the morale of five million people faced with no alternatives. It also sums up the sense of resignation in the British colony as a new round of diplomatic talks between China and Britain begins Wednesday in Beijing.

"Everytime we ask Peking for some sort of real guarantee, they simply make more promises," said Lee Yee, founder and managing editor of The Seventies, an independent political monthly.

With the overall question of sov-

ereignty over Hong Kong apparently settled, there has been new momentum toward preparing the colony for China's takeover. The Hong Kong government is speeding up the process of changing the colonial system of government to that of a self-regulating territory.

The assumption at the negotiation table is that if an acceptable solution to the problem of Hong Kong's administration can be reached, then the British will relinquish sovereignty over Victoria, Hong Kong's main island, and a small part of the mainland not covered by the expiring treaty. The treaty accounts for 92 percent of the colony's area.

Hong Kong Chinese critics of the British cynically call this position "retreat with honor."

In the meantime, the Hong Kong government points to the recent expansion of the colony's electoral

system as evidence of the move toward self-government. Under the expansion plan, district boards, which administer local affairs in Hong Kong, will have twice as many elected officials as appointed members starting with next year's elections.

Government sources say that further expansion of the democratic process will follow quickly. The British Foreign Office explains that the otherwise attractive idea of elections in Hong Kong was thought impossible for many years because of the Communist mainland's proximity and probable hostility from Beijing to the idea. But now that obstacle seems to have been overcome. Late last year, Ji Pengfei, Beijing's state counselor for Hong Kong affairs, raised the possibility of elections. The idea has since been made an official proposal by the Chinese.

And over the last month, Beijing in its own way has matched the Hong Kong government's push for more democracy. In December, Mr. Ji suggested unofficially that membership on the two existing governing bodies here — the legislative council and the executive council — be elected so that their membership is one-third pro-Chinese, one-third pro-British and one-third neutral.

This suggestion was immediately met with skepticism, since it implies the formation of inflexible parties from which to elect such members and a less independent choice of leaders.

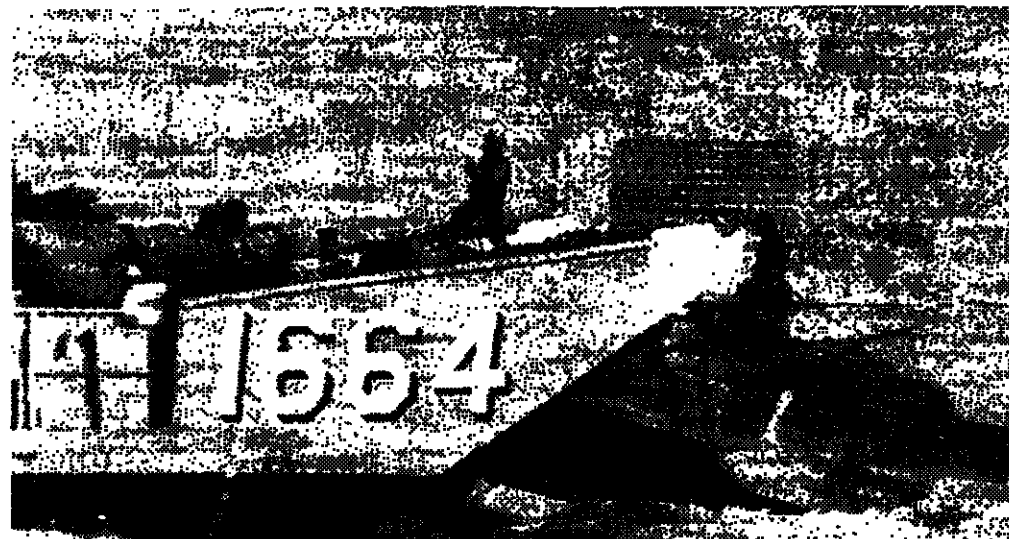
This so-called "three-three" system alarmed local Chinese who would prefer that Hong Kong stay an apolitical commercial and financial center.

Significantly, the "three-three" proposal last week was sharply criticized by a columnist writing in a pro-Beijing Hong Kong newspaper.

Diplomats said that the critique of the "three-three" system was a sign that Beijing wanted to step back from the idea. However, a source said the Chinese statements regarding free elections "had a role in concentrating the mind of the Hong Kong government on the problem of self-regulation."

Instead of the "three-three" structure, the Hong Kong government is attempting a gradual introduction of elected offices at low level "to allow people to cut their teeth on bodies with limited powers, but to prevent a free-for-all," said one diplomat.

In line with moves toward more autonomy for the colony, the British are thought to be pressing the point with Beijing negotiators that Chinese assurances that Hong Kong will retain its commercial and civil freedoms are not enough to maintain confidence about the transition.



U.S. marines loaded amphibious vehicles onto a landing craft just south of Beirut on Tuesday at the start of a withdrawal to ships of the 6th Fleet stationed just off the Lebanese coast.

East Germany an Advocate of Détente

(Continued from Page 1)

German homes receive West German television, compounding the government's insecurity about too much exposure to the West.

When the West German parliament recently affirmed a constitutional claim about the indivisibility of German nationality based on the 1937 borders, the East German government broke its trend of conciliatory messages with scathing condemnation about the notion of a reunified Germany.

Foreign Ministry officials said that Bonn's repeated references to "a single German fatherland" called East German sovereignty into question.

"Behind this kind of talk lies the intention to eradicate us as a socialist state," an official said. "It's a contradiction to our policy of wanting to become good neighbors."

"We have to accept realities as they are," he continued. "Both German states are not breathing their own free air, they belong to opposing political systems. Any attempt to cancel one or the other would destroy peace."

Western diplomats see East Germany's revived interest in détente as part of "a constant quest for legitimacy."

The government's recent celebrations of famous German personalities, such as last year's 500th anniversary of Martin Luther's birth, have betrayed an intense desire to be recognized as the rightful historical heir of German ruling authority.

This concern about legitimacy is most pronounced in the economy because the government has trumpeted its economic achievements in past decades as the most successful within the East bloc.

"After the austerity squeeze of the last couple of years, the last thing that the government wants to tell the people here is that they will have to tighten their belts another notch," a diplomat explained.

The Honecker government's call for progress in arms control, while responding to palpable concerns about concentration of nuclear weapons in central Europe, is also rooted in its economic worries.

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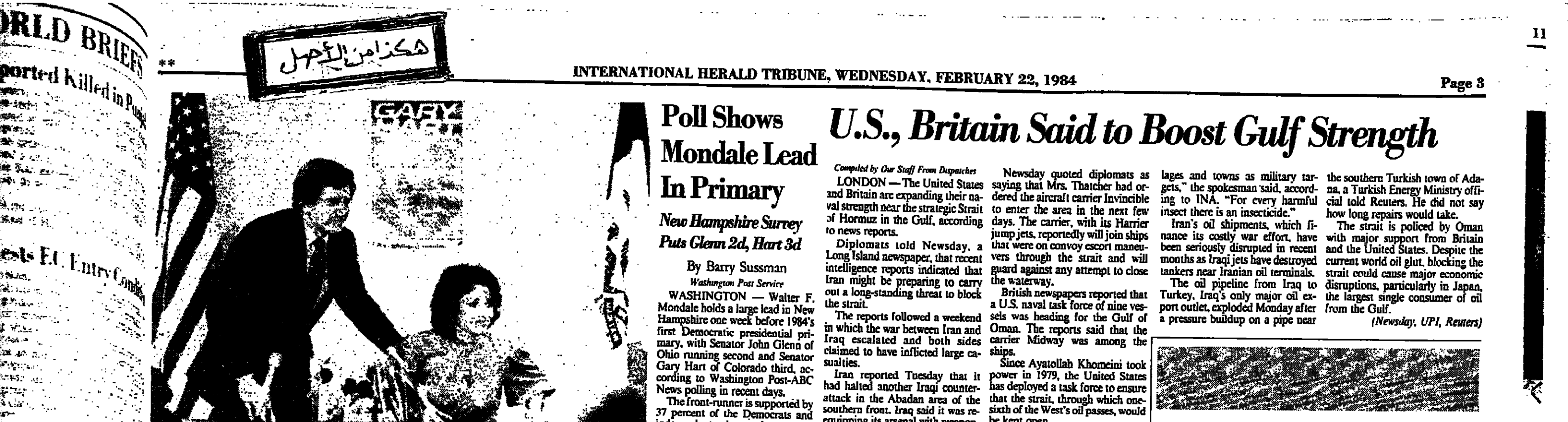
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Senator Gary Hart and his wife, Lee, at a news conference ending their campaign in Iowa.

Glenn Forces Must Regroup Quickly For 3 Southern Primaries in March

By Dan Balz and T.R. Reid

Washington Post Service

DES MOINES — The poor showing of Senator John Glenn of Ohio in Monday's Iowa caucus caucuses will make it more difficult than ever for Walter F. Mondale's rivals to deny him the Democratic presidential nomination.

With Senator Gary Hart of Colorado emerging to challenge Mr. Mondale in next week's New Hampshire primary, Mr. Glenn must revitalize his candidacy in time to confront Mr. Mondale in three primaries in Southern states that will be held March 13.

Mr. Glenn's campaign has been sliding for months, and his performance in Iowa — a state long regarded by advisers as difficult territory — provided a blow to his candidacy that he never expected.

Mr. Glenn had assumed that he would finish second in Iowa, if a distant second. But by falling to fifth among the eight candidates, he has compounded his problems in New Hampshire and perhaps weakened himself fatally in the South, which has been considered the crucial arena for his challenge to Mr. Mondale.

Mr. Glenn said Monday night that he hoped New Hampshire would be more hospitable.

"We got out-hustled and out-organized and we didn't do well in Iowa," he said in television interviews. "We expect to do better in New Hampshire. Obviously we won't do much worse."

Mr. Hart, despite his surprising showing in the caucuses in Iowa and the effective organization he has in New Hampshire, has so far made little impression in the South.

For Mr. Mondale, the decline of Mr. Glenn's campaign means that his only formidable challenger in the South has suddenly been forced to regroup and reassess the future of his candidacy.

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Earlier, in a news conference in Boston, Mr. Glenn did his best to brush off Iowa results.

"Stop hanging crepe all over this," he said. "We're going on to New Hampshire, and we're going to do fine."

Mr. Glenn repeatedly drew a distinction between the open caucus procedure in Iowa and the secret-ballot primary in New Hampshire.

"When you have a secret ballot, the results will be different," he said. The voters of New Hampshire "are not going to be led around on a leash by anybody."

In Des Moines, Mr. Glenn's leading supporter in Iowa, Roxanne Conlin, a former gubernatorial candidate, said, "It was a disappointment, but the blow is not fatal."

But a Democratic Party official in the South said Monday: "He's in a lot of trouble. Any candidate who gets kicked like that, it demoralizes his supporters."

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Mr. Hart said in New Hampshire on Monday that he hoped he could close in on Mr. Mondale "incrementally" after having taken a "big step" forward in Iowa. He has been running a fairly strong third behind Mr. Glenn in polls of New Hampshire Democrats, and he predicted Monday night that his good showing in Iowa would propel him ahead of everyone but Mr. Mondale in next Tuesday's primary.

The vote in Iowa means that I will be the alternative to Vice President Mondale," Mr. Hart said. "This race is going to come down to a two-candidate contest very fast."

"Having come from so far behind, we have a way to go. I'm not expecting any overnight miracles. I'm not expecting to win the nomination in the next 15 days. But I expect to win the nomination."

One thing now standing in Mr. Hart's way in New Hampshire is the candidacy of his former boss, former Senator George S. McGovern of South Dakota. Mr. Hart was Mr. McGovern's campaign manager in 1972, when he won the Democratic presidential nomination, and Mr. McGovern has said he would do nothing to hurt Mr. Hart's chances in the race.

"I don't personally relish the idea of a head-to-head contest with Gary," Mr. McGovern said during a recent campaign trip in New Hampshire. "But then, I don't see how I can bypass a state for sentimental reasons."

Mr. McGovern said Monday night that he was "delighted" about his third-place finish in Iowa, particularly since he had spent almost nothing on television or radio advertising. The Iowa result shows that "you can survive a political campaign without spending a lot of money," he said.

"I said right along I wanted to come in the top four, and it looks like I did, with one notch to spare," he said. "I think it's a great showing."

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Poll Shows Mondale Lead In Primary

New Hampshire Survey

Puts Glenn 2d, Hart 3d

By Barry Sussman

Washington Post Service

WASHINGTON — Walter F. Mondale holds a large lead in New Hampshire one week before 1984's first Democratic presidential primary, with Senator John Glenn of Ohio running second and Senator Gary Hart of Colorado third, according to Washington Post-ABC News polling in recent days.

The front-runner is supported by 37 percent of the Democrats and independents who say they are certain to vote.

The poll, in which 526 persons were interviewed from Feb. 13 through Feb. 20, shows Mr. Glenn the choice of 20 percent of those who say they are certain to vote. He draws most of his support from those who say they are independent.

Mr. Hart is backed by 13 percent of those who say they are certain to vote, placing him slightly ahead of the Rev. Jesse L. Jackson, who was chosen by 10 percent. Former Senator George S. McGovern of South Dakota received 6 percent, Senator Ernest F. Hollings of South Carolina and Senator Alan Cranston of California got 4 percent each, and former Governor Reubin Askew of Florida received less than 1 percent.

What effect Monday's caucuses in Iowa may have on next week's primary is uncertain. Only 6 percent in the poll were unable to choose among the eight candidates, suggesting that most voters there may have made up their minds. At the same time, the large majority in the survey said they had not been following the race very closely.

Beginning Feb. 13, about 75 people a night were interviewed by The Washington Post and ABC News.

All had to meet the criteria of saying that they were registered as Democrats or independents and that, if they voted next Tuesday, it would be in the Democratic primary.

Despite Mr. Mondale's strong lead, the poll suggests that he is being hurt by the charge that he is making too many promises to special interest groups.

The poll asked whether people agreed with that charge or whether they felt his promises "are ones that a Democratic candidate for president should be making."

Among Mr. Mondale's supporters, 25 percent said he was making too many promises and 60 percent said he was not. Among backers of all the other candidates except Mr. McGovern, more than half said Mr. Mondale was making too many promises.

New Hampshire supporters of all the Democratic candidates were pessimistic about the chances of defeating President Ronald Reagan. Among Mondale backers, fewer than 4 in 10 said they believed Mr. Mondale could defeat Mr. Reagan.

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U.S., Britain Said to Boost Gulf Strength

Compiled by Our Staff From Dispatches

LONDON — The United States and Britain are expanding their naval strength near the strategic Strait of Hormuz in the Gulf, according to news reports.

Diplomats told Newsday, a Long Island newspaper, that recent intelligence reports indicated that Iran might be preparing to carry out a long-standing threat to block the strait.

The reports followed a weekend in which the war between Iran and Iraq escalated and both sides claimed to have inflicted large casualties.

Iran reported Tuesday that it had halted another Iraqi counter-attack in the Abadan area of the southern front. Iraq said it was re-equipping its arsenal with weapons that would crush Iran's six-day offensive.

The Iranian revolutionary government of Ayatollah Ruhollah Khomeini has repeatedly threatened to close the Strait of Hormuz between the Gulf and the Indian Ocean during its war with Iraq, which started in September 1980.

Newsday, in a dispatch from London, quoted Western intelligence officials as saying that Iran had moved strike aircraft, including some U.S.-made F-14 Tomcats sold to Shah Mohammad Reza Pahlavi of Iran, to a base at Bandar Abbas near the strait. Land-based artillery could also be brought to bear on tankers passing through the 50-mile-wide strait, they said.

"It has moved from the threat stage to a real possibility," a senior Western diplomat told Newsday.

Prime Minister Margaret Thatcher, speaking in Parliament, refused to rule out the possibility that the Royal Navy would join U.S. ships to protect the sea lanes.

Asked for an assurance that British ships would not be engaged in the Gulf in cooperation with U.S. forces, Mrs. Thatcher said: "No, I can't give that assurance because in certain circumstances — we do not know what they might be — it might be in Britain's interest to join with American forces to protect that part of the world and the oil supplies so vital to the West."

Newsday quoted diplomats as saying that Mrs. Thatcher had ordered the aircraft carrier *Invincible* to enter the area in the next few days. The carrier, with its Harrier jump jets, reportedly will join ships that were on convoy escort maneuvers through the strait and will guard against any attempt to close the waterway.

British newspapers reported that a U.S. naval task force of nine vessels was heading for the Gulf of Oman. The reports said that the carrier *Midway* was among the ships.

Since Ayatollah Khomeini took power in 1979, the United States has deployed a task force to ensure that the strait, through which one-sixth of the West's oil passes, would be kept open.

In Washington, the White House affirmed President Ronald Reagan's commitment to keep the strait open but would not comment on the movement of naval vessels. The presidential spokesman, Larry M. Speakes, said Tuesday that the U.S. commitment "includes doing what's necessary." Asked if this commitment might involve military force, he said he "wouldn't comment on contingencies."

Iraq's warning that it would use new weapons if Iran stepped up its offensive came in the government daily, *Al-Tawhira*. The newspaper said that Tehran was preparing a new attack. It said: "Iraqi forces will employ weapons never used before."

According to United Press International, this was seen by Western diplomats as a confirmation of a Jane's Defense Weekly report that the Soviet Union had supplied Iraq with the SS-12 Scaleboard battlefield support missile to bolster its defenses against Iran's human-wave assaults.

The Iraqi INA news agency said that Iran was regrouping for a massive new attack on Iraqi towns. Quoting a military spokesman, it said the troops were massed in populated areas near the two countries' 733-mile (1,200-kilometer) common border.

"We will consider the massive troop buildups inside Iranian villages and towns as military targets," the spokesman said, according to INA. "For every harmful insect there is an insecticide."

Iran's oil shipments, which finance its costly war effort, have been seriously disrupted in recent months as Iraqi jets have destroyed tankers near Iranian oil terminals.

The oil pipeline from Iraq to Turkey, Iraq's only major oil export outlet, exploded Monday after a pressure buildup on a pipe near the southern Turkish town of Adana, a Turkish Energy Ministry official told Reuters. He did not say how long repairs would take.

The strait is policed by Oman with major support from Britain and the United States. Despite the current world oil glut, blocking the strait could cause major economic disruptions, particularly in Japan, the largest single consumer of oil from the Gulf.

(Newsday, UPI, Reuters)

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Syria Is Calling the Shots

Do you wonder why the "Saudi plan" for a settlement in Lebanon collapsed over the weekend? It almost seems that its prime defect, in Syria's eyes, was that President Gemayel accepted it and that it was not specifically a Syrian plan. Also, it failed to satisfy Syria's root demand for Beirut to undo the Lebanese-Israeli agreement of last May 17. Mr. Gemayel had promised in November to work for the changes that would remove the May 17 accord as an object of contention among the Lebanese. But he has been reluctant to give up the connections to Israel and the United States — lifelines for the Christians, as he sees them — embodied in that agreement. The longer he waits, the more is asked of him. Now not only his Druze challengers but also the more moderate Shiites demand his head.

The Israelis watch with foreboding the crumbling of the Lebanese government, which their policy did much to weaken and which, inconsistently, they had counted on to help

secure their northern border. By fresh military attacks, the Shamir government seeks to remind everyone — not least Israeli voters — that Israel remains ready to protect its own security. Jerusalem threatens to stay in Lebanon until a Lebanese government gives a "credible" anti-terrorist commitment. That is a formula for an open-ended, perhaps multi-year (multi-decade?) occupation. The Israeli public is unlikely to support it.

President Reagan and his chief lieutenants are busy saying that their policy has not failed, or that others were responsible, and that anyway Lebanon is not all that important. They would do better to accept the painful truth that Syria is calling the shots now in Lebanon, support the Saudis and others who are trying to cushion the impact, and make sure that America's old friends in Lebanon are not led to believe further that Washington is in a position to bail them out.

— THE WASHINGTON POST.

A Mismanaged Economy

This year Americans will probably buy \$100 billion more goods and services from abroad than they sell. As a result, the United States will soon become a net debtor, for the first time since World War I owing more to foreigners than they owe to Americans.

Does it matter? In theory, no. As economic textbooks point out, international financial flows are self-correcting in the long run.

But in practice, yes. Such big trade deficits are a symptom of serious economic mismanagement and a source of political tension that clouds worldwide economic growth.

Is there a remedy? Yes: for the government to reduce the domestic budget deficit.

Most prosperous nations run trade surpluses most of the time, lending money to other countries to cover the difference. But several factors have pushed America in the opposite direction, changing a \$5-billion "current account" surplus as recently as 1981 into an estimated \$60-billion deficit this year.

First, debt crisis has forced Third World countries (notably Latin America) to reduce their purchases of foreign (notably U.S.) goods. Second, the U.S. economy is recovering from recession faster than other economies, and so America is increasing purchases of imported goods faster than other countries.

Most important is the lure to investments. High American interest rates and political instability abroad have made the United States especially attractive to foreign investors. Their fervor to buy everything from Treasury bills to shopping malls has pushed up the dollar's value relative to other currencies. The stronger dollar, in turn, makes it harder for American

companies to sell abroad and easier for foreign companies to sell in the United States.

There is a bright side to trade deficits. The purchases of foreign goods that add to trade deficits also stimulate other economies, which need all the help they can get. But the policies that enlarge the American deficits are doing a lot more harm than good. Double-digit interest rates make it hard to refund foreign debts, dimming the hopes that countries like Mexico and Nigeria will ever prosper — or that countries like Brazil and South Korea can handle the transition to democracy. The industrialized world has a big stake here, too.

The "overvalued" dollar has smashed U.S. farm exports and brought demands for quotas and tariffs to protect U.S. manufacturing. If the protectionists get their way, foreign countries would surely retaliate, raising prices everywhere and damaging productivity.

Some economists call for direct measures to reduce the strength of the dollar, such as government intervention in foreign exchange markets and limiting foreign investment in U.S. securities. But such measures are not likely to work very well or very long. Without an influx of foreign funds, the pressure on American interest rates would be even greater.

Only by reducing the demand for dollars can the United States tame its monumental trade deficit. And only by reducing the Treasury's insatiable appetite for borrowed funds to cover the federal deficit is the demand for dollars likely to be reduced. That is another good reason to drive down the deficit that the Reagan administration keeps pushing up.

— THE NEW YORK TIMES.

Other Opinion

Areas of Common Interest

Now is not the time for the United States to reach for a political advantage at the Soviets' expense. Whatever opportunities for tactical success may seem to present themselves, there is a greater need: to begin to repair the relationship between the two superpowers. Both ought to recognize that the enormous political differences between them mask some modest underlying areas of common interest.

— The Chicago Tribune.

Lebanon: A Regional Affair

Is Lebanon another Vietnam, another Iran? In a way yes, in a way no. Like Vietnam and Iran, the United States found itself backing an unpopular government, with no clear understanding of the underlying political landscape in the country. Unlike Vietnam and Iran, Lebanon was never a part of the U.S. defense alignment. The country was not lost because it was never gained.

Lebanon is not a strategic country for the United States, despite the rhetoric about Soviet incursions into Lebanon. America still has its allies in Israel, Jordan, Egypt and Saudi Arabia, all of whom have a better understanding of Middle East politics than the Americans. America needs to learn that the way to win a battle oftentimes is not to fight it.

— The Jakarta Post.

In bloodied Lebanon, President Reagan has chosen to cut his losses. While politically awkward, that is not a dishonorable choice. Lebanon has fallen into political chaos, mooting the whole premise for deploying the marines there. Mr. Reagan's was a ragged decision, raggedly timed, but it was better than keeping the marines on station to no clear purpose.

What the retreat does, however, is dramatize the confusion and uncertainty that afflict U.S.

policy toward Lebanon. It has been a policy swept along on currents of American ambivalence — toward Syria, toward Lebanon's battered President Amin Gemayel, toward the flabby Lebanese "peace" accords of last May. Seldom has there been coherence and consistency, save in the administration's rhetoric, and now even that pretense has been dropped.

— The Providence (Rhode Island) Journal.

The Lump of Labor Isn't Solid

Trade unions in Western Europe are on the warpath for a reduction in working time. Employers and non-Socialist governments are nervously scanning the smoke signals and pulling the wagons round in a defensive circle. The dispute will get out of hand unless economic common sense is allowed to break in.

Both sides need to recognize that the impact of a cut in working time is little different from a rise in nominal wages. In a competitive world, you do not save jobs by cutting hours or raising wages. You export them to foreign competitors. West Germany's heavy industry is kindly preparing to export jobs to the rest of the world because the metalworkers' union, IG Metall, is shaping up for a strike as it presses a claim for a cut from 40 to 35 in weekly working hours while it wants wages to increase by 3½ percent. The union says this will reduce the number of West Germany's unemployed by up to 1.4 million, because it has fooled itself that the amount of work to go round is fixed. That is what economists have long dubbed the "lump of labor fallacy."

If costs rise faster than productivity, firms will take steps to pay for fewer man-hours. After a while, because overtime rates make their products more expensive, they will reduce their operations, and West German dole queues will lengthen, not shorten.

— The Economist (London).

FROM OUR FEB. 22 PAGES, 75 AND 50 YEARS AGO

1909: Battleship Fleet Returns Home
OLD POINT COMFORT, Virginia — With the arrival at Hampton Roads of the repair ship Panther, the advance guard of the battleship fleet, it became known that the fleet passed through a hurricane on [Feb. 19]. The fleet will remain out of sight of Old Point Comfort until after daybreak [on Feb. 22], when the ships will steam in for review by the President. The American battleship fleet, composed of sixteen warships, left Hampton Roads on December 16, 1907, and when it anchors in that port it will have been gone one year and sixty-eight days. No accident has marked the progress of the greatest armed fleet that ever made such a long voyage, and the battleships will steam into Hampton Roads in better condition than when they left.

1934: A Fund for Financial Freedom
WASHINGTON — The United States will observe [on Feb. 22] the 202nd birthday anniversary of George Washington, Father and first President of the nation, in the midst of a struggle for financial freedom which broadly parallels the movement for political independence which he successfully waged against Great Britain. President Roosevelt is striving for self-control of the national currency. Steps to create a "\$2,000,000,000 dollar stabilization fund" recently initiated by the President were conceded to be for the purpose of countering the British "equalization" fund of about \$1,800,000,000. The Government is determined to control the price of the dollar and of gold so as to raise commodity prices and contribute to economic recovery.

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Chernenko: Businesslike and Humorless

By Arkady N. Shevchenko

NEW YORK — At Yuri Andropov's funeral, those who watched his successor, Konstantin Chernenko, could not miss his obvious satisfaction at having achieved his life's ambition.

Leonid Brezhnev's protégé had already lost out once in the contest for the general secretaryship of the party. Mr. Chernenko's amazing comeback is a manifestation of the Soviet system's political functioning, demonstrating the reluctance of the old-guard Politburo members to admit that the time has come for them to go.

That group is unwilling to cede ultimate authority to the younger generation. To retain their power, the majority of the members went so far as to accept as their titular leader a man they do not admire and have resented for years.

Key Politburo members, particularly the late Mikhail Suslov and Alekssei Kosygin, considered Mr. Chernenko a parvenu, a man without the proper qualifications for joining their group, much less for becoming their leader.

Mr. Chernenko's main strength rests on his lifelong career as a professional party apparatchik. He belongs to the party elite, the true ruling class of the Soviet Union. Because he is a blood brother, the members of that elite will trust him more than someone who has not done his life's work in the party.

Mr. Chernenko is a master of wheeling and dealing in the Central Committee, an ideologue and a propagandist. While he has an intimate acquaintance with the intricacies of party work, he does not have much experience or expertise in

economic management or the processes of substantive foreign policymaking. At Politburo meetings I attended, he rarely expressed his own views on substantive matters of foreign or domestic policy, invariably supporting his patron Mr. Brezhnev. His personal relations with Andrei Gromyko were rather cool; Mr. Gromyko preferred to deal directly with Mr. Brezhnev.

While Mr. Brezhnev was alive, Mr. Chernenko had considerable power as Mr. Brezhnev's close personal friend and confidant. As the technical secretary of the Politburo, and later a member of it, he had unrestricted access to all its secret information and private views, expressed in meetings or through polling of its members.

The son of a Siberian peasant, a party member since age 20, he steadily made his way from the provinces to the top in Moscow, later as Mr. Brezhnev's aide and then almost as his alter ego. I met him after Mr. Brezhnev became the party leader in 1964, and had occasions to talk with him both in Moscow and in New York.

He is stocky and stoop-shouldered. For some time he has had emphysema, which has evidently become more serious recently. He did not impress me as a bright intellect but as a pragmatic, businesslike man who knows what he wants. He is demanding, rude, authoritarian, arrogant and dictatorial, and has immense self-confidence. He is so dull a public figure that, in my time,

there were not even the usual anecdotes or jokes about him. As younger men, he and Mr. Brezhnev used to get together for heavy drinking sessions while they socialized. Nondrinking Soviet leaders such as Mr. Suslov, Mr. Kosygin and Mr. Gromyko despised his habit.

Generally taciturn, he tends to speak in sharp, abrupt sentences, frequently interrupting others, inspiring timidity in his subordinates, whether they are affected by his strong physical presence or connected to it only by telephone.

On a visit to New York in the mid-1970s, for instance, he had a Soviet United Nations ambassador, known for his imperious behavior, quaking like a mouse. In Moscow I saw Vasily Makarov, Mr. Gromyko's powerful assistant, holding the telephone receiver with shaking hands while he answered Mr. Chernenko, on the other end of the line, in a stream of rapid yesses.

While I was United Nations undersecretary-general, Mr. Chernenko came to New York to examine the procedural work of the United Nations and its meetings. He showed some interest in the technical facilities of the United Nations but none in political discussions. He was all business and practically humorless.

This is the first of two articles. The writer was United Nations undersecretary-general, ambassador-at-large and a top political adviser to Foreign Minister Andrei Gromyko before breaking with the Soviet government in 1978. He contributed this comment to The New York Times.

Among Shiites, a Combustible Reservoir of Anger

By Patrick Seale

LONDON — The extent to which Americans are now physically at risk in the Middle East was illustrated by the killing on Jan. 18 of Dr. Malcolm Kerr, president of the American University of Beirut.

U.S. intelligence has concluded that, after punishing the marines, America's enemies in Lebanon are looking for softer targets.

The response of President Ronald Reagan and Secretary of State George Shultz has been to declare that the United States will not bow to terrorism. A decision has been made to tough it out. That response suggests that Washington has not wholly understood the nature of the forces its policies have unleashed.

On Jan. 4, two weeks before Dr. Kerr's killing, a devastating Israeli raid on the Lebanese city of Baalbek killed about a hundred people and wounded 400, without a whisper of reproach from Washington. The victims were sons, daughters, nephews, cousins of the Shia population that continues to suffer daily harassment from the Israeli occupation of southern Lebanon, and from whom the gunmen at the American University of Beirut were most probably drawn.

America's support for Israel's invasion of Lebanon in June 1982 and its apparent inability to restrain Israel since or get it to withdraw have made its marines a prime target — and now also its nationals and its institutions in the region.

The tragic irony of Malcolm Kerr's death is that he was a bitter critic of the American policies to which he fell victim. In an essay published last year, he warned that if the West continued to ignore the intolerable injuries suffered by the Arabs, its victims would one day, in the words of Arnold Toynbee, "stagger to their feet and stab it in the back."

Malcolm Kerr — "the most eminent American target available," as one of his colleagues put it — was himself shot in the head. Since its foundation in 1866, the American University of Beirut has stood for a dialogue between Arabs and the West based on mutual respect and shared intellectual and humane values. Dr. Kerr was acutely aware that at some time in the 1970s the dialogue had broken down.

The emergence of "imperial Israel" and the rich pickings from the oil boom caused the United States to think only of how to protect its access to oil, get its lion's share of the petrodollars and keep Russia out by an increasing dependence on Israeli power. The interests of business and security, narrowly conceived, replaced the earlier concern for a fruitful interaction between two societies.

In the new hard-nosed U.S. mood, the pleas of Arab allies that America act to safeguard a respectable slice of Palestine and curb Israeli excesses in Lebanon are discounted. The prevailing Washington view is that these

allies, dependent on America for protection and for a haven for their money, can be safely ignored.

Now a qualitative change is taking place in the nature of the challenge to American policies in the region. After the Iranian revolution of 1978-79 — which should have been a fearsome object lesson of the anger that America had aroused among ordinary Iranians — Lebanon is driving the lesson home. Shia militancy is clearly far more dangerous than Palestinian guerrilla groups ever managed to be.

According to official Israeli police statistics quoted in the Tel Aviv newspaper Haaretz on July 16, 1982, 282 Israelis had died from all forms of Palestinian terror in the 15 years from 1967 to the invasion of Lebanon in June 1982. But Israel's massive reprisals against the Palestinians in southern Lebanon have killed thousands and displaced hundreds of thousands of the indigenous Shia population, bringing a whole new cast of actors into the conflict.

Today, thoroughly aroused and strengthened by international links with Damascus and Tehran, the Shiites cannot be contained as easily as the Palestinians were.

Arab governments and community leaders are themselves deeply alarmed by these developments. In Lebanon, but not only there, the initiative is passing to shadowy groups who feed on the grievances and the anger of a vast popular base.

The writer covers Arab affairs for The Observer in London. He contributed this comment to the International Herald Tribune.

LETTERS TO THE EDITOR

Woe to the Survivor

Regarding "Researchers Decide A Bomb Is Good for You" (Feb. 14):

The "bomb" is good for us? I suppose the massive trauma of a nuclear holocaust would be great, as long as no one was left out. One survivor would ruin the unity.

In the meantime, we remain unified in fear and faced with the threat of annihilation. The mobilization for war does the same synaptic trick. It binds people together.

We might ask the survivors of Hiroshima how it feels; they are the pariahs of their society.

Bounded by the bomb? No thanks. I find plenty of unity in life.

GREGORY BERGLUND, Meyreuil, France.

Jews and Palestinians

As an American Jew I would like to thank Anthony Lewis for his courageous writings on the Middle East, and especially for exposing the irresponsibility, if not the insanity, of the Reagan administration's policy.

I also wish to convey my respect for Walid Khalidi, who so eloquently expresses the longing of his fellow Palestinians for justice, peace, and a state of their own.

It is one of the tragic ironies of

history that an oppressed, persecuted, homeless Semitic people has oppressed, persecuted and driven into diaspora another Semitic people.

Among Jews in America, Israel and elsewhere, the realization is growing that rivers of blood have been spilled in the name of territorial expansion and prevention of national liberation. If further bloodletting and destruction are to be avoided, conflict will have to be settled at the negotiating table by all parties concerned, including the PLO.

BESS BROTSKY, Zurich.

FDR's Health at Yalta

In response to the opinion column "Politics and Age Can Reagan Survive Five More Years?" (Feb. 6) by Robert G. Kaiser:

If Franklin Roosevelt had not been physically debilitated at the time of

the Yalta conference, the Allies might have been able to avoid the geopolitical confrontation that threatens us constantly with another conflict now.

JAMES PRICE, Gstaad, Switzerland.

The Bear Was Drugged

Dale Russakoff's feature article, "The Grizzly" (Jan. 3), represents the bureaucratic side of the issue, defending continued manipulation of America's wildlife. He ignores the fact that federally funded wildlife biologists are drugging grizzly bears with one of the most dangerous mind-altering drugs, phenylcyclidine — "in drug lingo, PCP" or "angel dust."

The grizzly of Mr. Russakoff's article, which killed and ate the man near my home in Montana last June, had been injected at least 11 times with PCP.

As described in my articles in the New York Times (Nov. 27, 1983) and the Denver Post (December 1983), PCP acts as a depressant on the central nervous system, frequently in times without warning, it fills users with irrational feelings of power causing them to attack people of obviously superior strength.

PEGGY LUCAS BOND, Malaga, Spain.

Letters intended for publication should be addressed "Letters to the Editor" and must contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

مكتبة من الاصل

ARTS / LEISURE

Schlendorff's Way
With Proust's Swann

By Thomas Quinn Curtiss

PARIS — Nicole Stéphane is a courageous woman of indelible determination. Twenty-two years ago she bought the film rights to "Remembrance of Things Past" from Proust's niece and literary executor, and for 23 years she looked for financing for the project.

Though many thought the transferring of Proust to film seemed as futile and as silly a transaction as making a movie of the life of Leonardo's "Last Supper," some ambitious directors were intrigued.

The late Luciano Visconti prepared a scenario of the novel's "Sodom and Gomorrah" section and announced that its cast would include Greta Garbo as the Duchesse de Guermantes, Laurence Olivier as the Baron Charlus and Alain Delon as Proust, but he was unable to raise enough money.

Then Joseph Losey volunteered, and Harold Pinter was engaged to write a script (which he did) and again no company would back the undertaking.

Last year the untiring Madame Stéphane succeeded in arranging a deal. A French-German production was organized under the Guumont banner and with the French Ministry of Culture participating, and now — with "Un Amour de Swann" (Swann in Love) — the Proust chronicle, or at least part of it, makes its screen debut.

A German, Volker Schlöndorff, remembered for his "Tin Drum," directed, while Peter Brook, Jean-Claude Carrière and Mario-Hélène Estienne collaborated on the adaptation of "Swann's Way." It tells the story of Swann, a snobbish dandy who lives on the outskirts of Parisian aristocratic circles in the 1890s, and of his marriage to a demimondaine, which excludes him from the great houses. The

center of the screenplay is his frantic pursuit of the flighty lady and the agonies of jealousy he suffers. The casting is international — at least at the top. The English actor Jeremy Irons is the hapless Swann. With his sensitive face and languid manner he resembles photographs of Proust. This impression is increased by the opening, in which he is discovered, pale, wan and sickly, scribbling notes in his bedroom.

Ornella Muti ornaments her scenes as Odette with her striking beauty, but the most lovely and amusing performance is that of Alain Delon in florid makeup as the haughty Baron Charlus, a bravura piece of caricature, alert and comic. The solemn proceedings perk up with his every appearance.

The production is of pictorial and atmospheric magnificence, a gorgeous pageant of Paris at the turn of the century, with opera nights, children at play in the sunlit Tuileries gardens. Swann's midnight carriage chase after the elusive Odette, social receptions, supper parties, haut monde title-tattle and military parades all captured with the patois of distance by Sven Nykvist's cameras. Visually it is a film of high distinction. As the number of regular filmgoers who are acquainted with "A la Recherche du Temps Perdu" must be infinitesimal, what is not there will not be missed. This is postcard Proust, a brilliant collection of lovely visions.

"Le Bon plaisir" is Françoise Giroud's screen version of her novel, a sentimental tale gushing with mother love and a father trying to gain his little son's affection. Yet its premise poses a curious question: Would a French president's career be damaged if it were discovered that he, a married man, had fathered an illegitimate child? This seems unlikely, but the Giroud president worries about it for two reasons. The Giroud script, despite its modern setting, echoes Victorian weepers about fatherless children and brave fallen women.

Catherine Deneuve is the woman of fortitude and Jean-Louis Trintignant is the president troubled by his conscience. Michel Serrault, a superlative comedian, is wasted in a secondary role as the minister of the interior and Michel Audoir is the blackmailing villain. There is an enchanting bit by Matthew Pillsbury as the boy, and Francis Giroud's direction supplies the hokum with a posh background of political life at the top.



Jeremy Irons (Swann) and Ornella Muti (Odette) in "Un Amour de Swann."

Giordano's 'Andrea Chenier' Revived in London

By Henry Pleasants

International Herald Tribune

LONDON — Umberto Giordano's "Andrea Chenier" is back in the repertoire of the Royal Opera, Covent Garden, after an absence of 53 years, and thereby hangs a tale, or at least a curiosity.

"Andrea Chenier" set in the Paris of the French Revolution, and based on the life and execution of a French poet, occupies an odd place in or out of the hearts of opera lovers. It is a singers' opera, esteemed and cherished by those for whom opera is, above all else, full-throated singing, preferably unadorned by Italianate, but disdained by those of a more intellectual turn of mind, including most British and central European music critics.

Thus, while the opera has gone unperformed and pretty much unlamented at Covent Garden for more than half a century, across the Atlantic, in cities with large Italian populations, it has never been long out of the repertoire. It was a staple at the Met from 1921 to 1933 and again from 1954 to 1966, and has been warmly welcomed, too, in Chicago and elsewhere.

In discussions here of the new Royal Opera production, essentially that of Michael Hampe for Colonne, and centered on the Andrea Chenier of José Carreras, it has been referred to repeatedly as a "tenor opera," even by Rosalind Plowright, the Maddalena, in an interview. Those fortunate enough

to have heard Met performances by Gigli, Ruffo and Ponselle, or by Lauri-Volpi, Rethberg and de Luca, know that it is no such thing. Zinka Milanov even chose it for her Met farewell on April 13, 1966.

This new production, unfortunately, does little to disabuse the uninitiated. It is Carreras's show from the "Improvisos" of Act I to the "Un bel di" of Act IV. He was in exultant voice on opening night, and brought the house down with as gloriously defiant an "Improvisos" as can be heard from any tenor in this day and age. He may not quite erase memories of Gigli, Lauri-Volpi, Pertile, Martinelli and de Muro, but he evoked them, and that is high praise.

Plowright rose gallantly, sometimes even recklessly, to the formidable challenges of Maddalena's "La mamma morta" and the high-lying duet with Chenier as they prepare for the guillotine, but hers is not the Maddalena of Muzio, Ponselle and Milanov. She's too English. Nor does Bernd Weikl, splendid artist that he is, have the sumptuous Italian baritone that made the ambivalent servant-revolutionary leader Gerard a favorite role for Ruffo, Danise, de Luca and Basola at the Met. He is, after all, a Viennese.

The production, designed by Ezio Frigerio and costumed by Franco Squarapino, is essentially traditional, which is as it should be, with the Act III tribunal scene especially effective, and it was admirably conducted by the Welsh Na-

tional Opera's Richard Armstrong. It's nice to have it back, even as the "tenor opera" that it wasn't in vocally richer times.

The next performance of "Andrea Chenier" will be given Feb. 25.

The only other important new production of the new year so far is Elijah Moshinsky's "The Master-Singers of Nuremberg" for the English National Opera at the Coliseum. It, too, is essentially traditional, aside from advancing the action from the 16th century to the 17th, and costuming it in a style more Dutch than Deutsch, but parting from tradition in details, some of them important and on the whole ill-advised.

The principal deviation is in the representation of Hans Sachs, sung for the first time by the Welsh bass Gwynne Howell, well and favorably known to London opera goers as the Royal Opera's Pimen, Grand Inquisitor, King Mark, Prince Gremin, etc. Moshinsky's purpose would seem to have been to demythologize Sachs, so to speak, cutting him down to size and presenting him as an ordinary sort of fellow, and rather too young to have been a widower old enough to be Eva's father.

It doesn't work. This is not a cobbler who would have been so revered by his fellow burghers. Nor does Howell's voice, mellow and rich as it is, have the weight and grain to penetrate and dominate Wagner's instrumentation, and he is rather too sparing in its use. This

'Tom and Viv': The Early Eliot

By Sheridan Morley

International Herald Tribune

LONDON — At the Royal Court, Michael Hastings's "Tom and Viv" is a spare, elegant and enthralling account of the wasteland of T.S. Eliot's first marriage, to the apparently loony Vivienne Haigh Wood. Here, on the face of it, is the play with everything: Bloomsbury, Roaring '20s, aristocracy (the Haigh Woods), decay, feminism, young Jamesian American come to Europe in search, if not of Aspern papers, then at least of fame and fortune, and besides, he was the man who went on to write "Cats."

Hastings has carefully avoided most of the more obvious pitfalls. Nobody here is much afraid of Virginia Woolf and we never even get to see Viv pouring hot chocolate through the Fabers' mailbox in one of the great poetic gestures of the

THE LONDON STAGE

Wilkinson wonderfully suggests the early Eliot as an ungainly, gangling figure wracked by the guilt of his ambition and his inability to deal with the increasingly dotty Viv, but this is really her evening and Julie Covington makes it an unmissable treat.

Though the play brings us to 1947 with medical explanations of Viv's hormonal imbalance, that is in a sense a postscript to a 1920s tragedy. Hastings has written the story of a family: Viv's wonderfully eccentric brother (David Haig) forever pitying Tom for having "a wonky squaw," and her parents (Margaret Tyzack and Nicholas Selby in rich Edwardian form) are as close to the heart of this play as Eliot himself.

As lost playwrights go, Philip King seems to have been more effectively misled than most. In a long life (1904-79) he wrote at least two expert farces and, 30 years before Michael Frayn's "Noises Off," wrote the definitive backstage comedy about a provincial theater company in total comic disarray ("On Monday Next"). Yet King somehow never quite achieved the distinction that the British have accorded to Ben Travençolo and Alan Ayckbourn or the French to Feydeau. Looking again at his best and most successful play, "See How They Run," now in a welcome revival by Ray Cooney's Theatre of Comedy company at the Shaftesbury, it is not hard to see why.

King never cared much about character; he was the total stage manager, a craftsman who put his people on the stage, gave them rough-and-ready labels (confused vicar, German prisoner, pompous bishop, drunken neighbor) and then left his players to get on with the creation of them while he provided an obstacle course of furniture, doorways and mistaken identities for them to negotiate.

Essentially King's conclusion seems to be that where once coosiness was raised now only salaries are, and still not enough. Along the way he got some good insights into London life.

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VISIT TO JAKARTA — Prince Norodom Sihamoni, left, head of Cambodia's anti-Vietnam resistance forces coalition, and his wife, Monique, are accompanied by President Suharto of Indonesia to the state guest house in Jakarta. Prince Sihamoni arrived Monday for a 10-day unofficial visit at the invitation of President Suharto.

In Spain, Women Make Major Gains
Against Taboos, Masculine Barriers

By Tom Burns

Washington Post Service

MADRID — There used to be a quip in Spain that reflected as much a macho-oriented society as it did the overbearing presence of strict Roman Catholic morality: "It's not a sin to go to bed with a Spanish girl; it's a miracle."

Few people would say that now. Of all the sociological changes brought about in Spain's post-Franco era, perhaps none has been as dramatic as that of the status of women.

It was not until 1976, the year after Franco died, for example, that the "marital license" was struck from the statute books. Under the law, a woman had to produce the written consent of her husband before she could sign a legal contract.

A recent survey published by the Madrid consumer magazine Ciudadano shows that the lifestyle and attitudes of Spanish women are now comparable to those of women in other Western societies.

An obvious indicator of accelerated change concerns contracep-

tion, banned throughout the Franco era. According to the survey, 41 percent of women polled in 1976 believed that the church "had the final word on family planning."

The bans on the sale of contraceptives were lifted in 1978, and the first state-run family planning centers opened two years later. A government poll last year established that 59 percent of Spanish women used some form of contraception. Ciudadano noted that the young Spanish woman has "broken down taboos and traditions, overcome masculine barriers . . . and won freedoms that were denied to her a generation ago."

The major catalyst for change has been education. Twenty-five years ago, 14 percent of Spanish women were illiterate, a figure that was double that of Spanish men. Only 13,778 were receiving a college education.

The illiteracy figure had dropped by 3 percentage points in 1970 and college matriculation by women had almost quadrupled. In 1983, women represented 30 percent of the campus population. This proportion is continually rising as the effects of compulsory schooling until the age of 16, introduced 10 years ago, are felt.

In Spain, the changing role of women is sharply outlined by the drop in marriages and births. In 1982 there were 31 percent fewer marriages in Spain than in 1975.

The demographic slowdown has caused increasing concern to plan-

ners. Gone are the days when there was an average of 3.4 children per woman.

Spain's birthrate has dropped faster than that of any other West European country, prompting an acute drop in demand for the vast maternity clinics built over the past 25 years. The birthrate fell by one third from 1961 to 1981, from 21 births per 1,000 population to 14 per 1,000, with the steepest decline coming in the past five years.

While women lag well behind Spanish men in the labor market, there has been a marked improvement in their status. In 1959, only 10,000 women of a total female population of nearly 16 million held managerial posts.

Eighteen women were elected to the Cortes, or parliament, on the Socialist ticket in the 1982 elections — a low figure by absolute standards but nevertheless the highest proportion of women in the history of the Cortes.

In the administration of Prime Minister Felipe Gonzalez, women hold such key jobs as the secretary of state posts for regional policy and for universities; the posts of director general for energy policy, for primary schooling and for tourism; and the posts of chief policy strategists in the ministries of interior and the economy.

Still, in the Spanish countryside, women maintain their traditional peasant-society roles. They work in the fields, run the home, wait on the men at the table and eat separately.

9 Facing Trial
In 5 Murders
In Philippines

By Robert Trumbull

New York Times Service

MANILA — Two foreign priests, a Filipino priest and six Roman Catholic lay workers are scheduled to go on trial Thursday on charges of conspiring with Communist guerrillas to kill a Philippine mayor and four of his aides.

The case has focused international attention on Bacolod, a sugar-producing town on Negros Island in the central Philippines.

The defendants are the Rev. Brian Gore, 40, of Perth, Australia, the Rev. Niall O'Brien, 43, of Dublin, the Rev. Vicente Salangan, 40, and six Filipino lay workers. All nine had been working among poor plantation laborers on Negros.

Prosecutors say the nine defendants conspired with the Communist New People's Army on Negros in the ambush murder of Pablo Sola, the mayor of Kabankalan, a town near Bacolod, and four of the mayor's aides two years ago. Earlier, the mayor had been named as a suspect in the slayings of seven workers on his sugar plantation.

Father Gore and the others accused of conspiracy in the slaying of the mayor and his aides have said they were framed and that their efforts to improve the lot of the sugar workers on Negros had antagonized the island's authorities. The case has been widely publicized in Australia and Ireland.

President Ferdinand E. Marcos had earlier intervened in the case, ordering that the three priests be placed under house arrest instead of going to jail with the accused lay workers. However, after a period in military guest quarters, the priests insisted on joining the six co-defendants in the town jail.

Philippine officials said the case was expected to be discussed with the Australian foreign minister, William G. Hayden, who is to visit Manila this week.

Study Blames Comets
For Dinosaur Extinction

By Lee Dembart

Los Angeles Times Service

LOS ANGELES — A group of scientists at the University of California, at Berkeley, near San Francisco, has found evidence that they say proves conclusively that the dinosaurs were wiped out when comets hit the Earth about 65 million years ago, resulting in months of cold and darkness.

The new evidence comes from an analysis of the ages of large impact craters on Earth. The craters appear to have been formed every 28 million years, the same frequency that mass extinctions have occurred, the scientists say.

"The craters on the Earth now are conclusively tied in to mass extinctions," Richard A. Muller, a physicist and leader of the team, said Monday.

"If there was a controversy before as to whether or not asteroids are responsible for mass extinctions, this just closes the book," he said. "There are periodic mass extinctions, and they occur with the same period and at the same time as large comets impact on the Earth."

What happened to the dinosaurs is one of the mysteries of science. After a period of 140 million years, they died out suddenly about 65 million years ago.

Some credence has been given to the theory that a large asteroid collided with the planet, kicking up a cloud of dust that hung in the atmosphere for months, blocking sunlight, preventing photosynthesis, the dinosaurs then succumbed to cold and hunger.

The theory has been advanced

Venezuelan Envoy Wounded

United Press International

GEORGETOWN, Guyana — Sadio Garavito, Venezuela's ambassador to Guyana, was seriously injured by a gunman here Monday in an attack that also wounded his wife, police said Tuesday.

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INSIGHTS

Clues in Kuwait Attack Help Unravel Roots of Mideast Terrorist Chain

By Richard Harwood

Washington Post Service

KUWAIT — In the brutal trail of terrorism in the Middle East, a human fingerprint recovered from the wreckage of the American Embassy in Kuwait provided a clue which leads back to the roots of modern religious fanaticism in the region.

The piece of flesh was from the disintegrated body of a young Arab who sacrificed himself in the murderous truck-bomb attack on the embassy on Dec. 12.

His fingerprint revealed his identity: Raad Miftel Ajeel. In turn, it led to organizations and movements in Iran, Iraq and Lebanon.

Mr. Ajeel, who also used the name Badran, was a 25-year-old driver for the Sultan trading company. He arrived in Kuwait last September with an Iranian passport and a recommendation for a work permit.

Within a month, he was involved in a plot to assassinate, in one day's action, the embassy and seven other targets: the headquarters building of Raytheon Co., a U.S. corporation installing a Hawk missile system in Kuwait; an apartment house occupied by Raytheon employees; the control tower at the international airport; the Kuwait Ministry of Electricity and Water; the Kuwait Passport Control office; the French Embassy and a major petrochemical and refining complex at the port of Shuaiba.

Bombers' Aims Unclear

The instruments of destruction were car and truck bombs of the type used for major terrorist actions in Lebanon last year.

When Mr. Ajeel and his comrades had in mind is something of a mystery. According to evidence obtained later, they had brought into Kuwait by boat, probably from Iran, stocks of explosives for the bombings.

But they had also brought in large stores of more conventional weapons. These included rocket-launched grenades, machine guns, rifles, pistols and detonators of Soviet, West European and U.S. manufacture, all of which were hidden in safe houses in three neighborhoods south of the city.

Were a series of assassinations, or a coup, planned for this oil state on the Gulf?

Negative answers to these questions have been forthcoming since the coordinated bombing attacks of Dec. 12 and the arrest of numerous suspects who, according to Kuwaiti authorities, confessed in writing and on tape that they collaborated with Mr. Ajeel.

Reports from the CIA and Israeli intelligence authorities establish that final approval for the operation came directly from a message carried to Kuwait by a courier from Iran and that planning for it took place in Switzerland and the Bekaa Valley of Lebanon.

Links to Outlawed Iraqi Group

Of equal significance to those unraveling the terrorist chain in the Middle East, however, are the political and religious roots of Mr. Ajeel and his comrades.

Of the 22 men directly involved in the arms smuggling and bombings, 18 were native-born Iraqis, all members of Dawa, an outlawed Iraqi religious opposition group now working in exile out of Iran.

Three were Lebanese, two of whom were Shiite Muslims who have been linked to Hussein Musavi, who, intelligence agencies suspect, was connected to the bombings of the U.S. Marine complex and the French military headquarters in Beirut last Oct. 23. The third Lebanese was Elias Foad Saib, 23, a Christian mercenary brought into the operation to wire the bombs. Four of the suspects are still being sought.

Dawa leads back to Sheikh Mohammed Hussein Fadlallah, the militant Lebanese Shiite leader who has been implicated, despite his

denials, in the U.S. Marine and French bombings in Beirut, to his lieutenant, Hussein Musavi, and to the Hakim brothers in Iran and their connections to Middle East terrorism.

Raad Ajeel's fingertip helped open the window on all this.

The story began in Najaf, Iraq, in the 1960s. Najaf is a holy city of the Shiite branch of Islam, a center for theological studies and debate. About 10 percent of the world's 400 million Muslims are Shiites.

Khomeini's Exile Home

Najaf in those years was a place of intellectual ferment. Ayatollah Ruhollah Khomeini, Iran's ruler, lived there for 14 years, in exile from the shah's Iran. Sheikh Mohammed was there as a student. Najaf was the home of the chief Shiite theologian, Mohsen Hakim, and of Mr. Hakim's three sons, all of whom are now active in Iran. The holy city was also home to a brilliant young Shiite philosopher and writer, Said Mohammed Baqir Sadr.

Mr. Sadr became one of the chief ideologists of al-Dawa al-Islamiyya, the Islamic Call, a fundamentalist religious organization calling for a social revolution.

Dawa's message found fertile ground among the peasant and working class. With the encouragement of some of Mr. Sadr's theological colleagues in Najaf, Dawa evolved into a revolutionary party, fomenting protest against the authorities.

There were disturbances and a repressive response by the Iraqi government. Dawa leaders were executed. Notable theologians in Najaf were harassed and put under surveillance, including Mohsen Hakim and at least one of his sons.

Thousands of Iraqis, the Hakim sons among them, fled to Iran. Sheikh Mohammed returned to Lebanon to begin spreading the new militancy. Ayatollah Khomeini later emerged as the spiritual leader of the Iranian revolution in 1979. He took with him from Najaf his own version of "the Islamic Call" and an abiding hatred of President Saddam Hussein.

Ties to Iran, Syria

Baqir Sadr, whose writings had inspired the Dawa dissidents and left their mark on future militant Shiites, had such stature in Iran by the end of the 1970s that Tehran radio began referring to him as the "Iraqi Khomeini." To the Iraqi president, Mr. Sadr was an intolerable threat to his Marxist-like Ba'ath Arab Socialist government; he aroused the masses too much. Mr. Sadr and his sister, Bint Hudah, were arrested and executed in 1980, along with a number of the theologians of Najaf.

That was the year that Raad Ajeel, the bomber of the U.S. Embassy in Kuwait, and his brother, Saad, were sentenced to death in Iraq. They had been swept up in the Dawa movement and participated in what the Iraqis called "terrorist attacks" such as grenade assaults on police stations.

Saad Ajeel was caught and hanged in Baghdad. His brother escaped to Iran to join the quarter of a million refugees from Iraq, including many Dawa followers who had preceded him. His movements there, if they are known, have not been revealed. But it is reasonable to assume that he came in contact with and was brought under the wing of the Supreme Council of the Iraqi Islamic Revolution, headed by Hojatolislam Mohammed Baqir Hakim, one of the three brothers from Najaf.

The Supreme Council provides humanitarian assistance to the refugees. But it has other functions, including the recruitment of Iraqi refugees for Ayatollah Khomeini's Revolutionary Guards and, according to the French magazine Jeune Afrique, plays yet another role as a kind of parent organization for four operational terrorist groups. Dawa is one of them.

The council also has links to the Islamic Amal



Kuwaiti officials examined destroyed vehicles for clues after a bomb exploded at the French Embassy on Dec. 12.

faction in Lebanon, of which Hussein Musavi is the most prominent leader.

Whether Baqir Hakim and his Supreme Council recruited Raad Ajeel for the Kuwait operation, sent him to the Qom or Ahwaz training camps in Iran or how he obtained an Iranian passport are elements of his history that have not been made public. CIA intelligence reports indicate that one member of the Hakim family, then residing in Kuwait, was the head of the bombing operation, and that planning for it included Syrian officers, Shiite leaders and Iranian intelligence representatives.

It is characteristic of terrorist operations with obvious state sponsorship that "deniability" safeguards are always built into the planning, the chain of responsibility invariably has missing links. But it is inconceivable that Mr. Ajeel and his comrades were sent off to Kuwait with no training at all, just as it is inconceivable that such an intricate operation was spontaneously mounted out of the industrial neighborhoods of Kuwait.

Planning for Kuwait Attacks

What is known beyond doubt is that Mr. Ajeel and most of his collaborators entered Kuwait from Iran, that the explosives and weapons were shipped in by boat and that the final planning for the Dec. 12 action began in October, the same month the bombing plans for the Marine and French installations in Beirut were completed and carried out.

The 22-man team, according to Kuwaiti and American investigators, was divided into seven cells organized according to the "cutout" principle, which means that the members of each team were isolated from all the other teams; they did not even know one another's names. Planning sessions involving team leaders and the operation's supervisor were held in safe houses in the neighborhoods of Jleeb Shuyoukh, Firdous and Sabah Salem.

Mr. Ajeel's first assignment was to buy or rent the vehicles needed for the Dec. 12 operation. He acquired five Subaru passenger cars, a Subaru van, a Buick passenger car and two trucks, one manufactured by General Motors, the other by Mercedes-Benz.

Other operatives acquired dozens of liquefied petroleum gas tanks, each filled with butane or propane. The tanks were loaded into the mission vehicles and hooked up to large charges of the powerful explosive hexogen, also known as C-4 and RDX, which is used in artillery shells, mines and bombs and for structural demolition. It can generate an explosive force twice as powerful as TNT.

On the night of Dec. 11, seven of the vehicles were parked at the selected targets to be detonated the next morning by timers or remote control devices. The car bombs at the Raytheon business and residential facilities were placed by one of the Lebanese Shiites — Youssef Musavi,

28, thought by intelligence agencies to be a relative of Hussein Musavi. The eighth vehicle, the General Motors truck, was held back for Mr. Ajeel's mission: a direct attack on the U.S. Embassy.

Mr. Ajeel set out from the southern suburbs in the truck, probably about 9 on the morning of Dec. 12.

His route probably took him along Gamal Abdel Nasser Street and then onto the Gulf Road on which the U.S. Embassy is located. Mr. Ajeel turned off the Gulf Road into the residential street on which the embassy entrance is located. At 9:35 A.M. he crashed through the embassy gate, drove into the parking lot and

detonated his load 10 feet (three meters) from the embassy's administrative building. He was, investigators concluded, a genuine kamikaze because he need not have died in the explosion. His lethal load was connected to two detonators. One of them, a safety fuse, would have allowed him 30 minutes to attempt an escape. But he chose the instant detonator which meant he chose instant death.

The car and truck bombs at the other targets were exploded by timers and remote control devices in the 45 minutes after Mr. Ajeel died. The toll from all the explosions was five dead, 87 wounded and severe property damage at some of the sites.

The destruction would have been worse if the Lebanese Christian mercenary had been a more skillful demolitions man. His wiring of the bombs was so amateurish that only 10 of the 45 gas cylinders on Mr. Ajeel's truck exploded. The same defects minimized the power of other bombs that day.

Under Kuwaiti law at the time of the bombings, hanging was the ultimate penalty for such acts. But a new penalty was decreed on Dec. 29: "Limb amputation or death," and "the amputations would be carried out on two limbs simultaneously, severing the left arm and right leg or vice versa."

To risk such punishment, men need motivation. In the case of a few members of the extremist Shiite organizations, such as Dawa and Islamic Amal, both religious and political motivations are involved. Terrorists, especially the unsophisticated, are promised places in paradise as participants in a jihad.

Great political passions are the major forces behind these events — the passion to punish France for siding with Iraq in its war with Iran; the passion to punish the Gulf states for the same offense; the passion to punish America, which Iran calls the Great Satan, for various crimes; the passion to drive the Americans, French, Italians and British out of Lebanon; the passion to wage war on Israel and its benefactors; and the passion to destroy Saddam Hussein in Iraq.

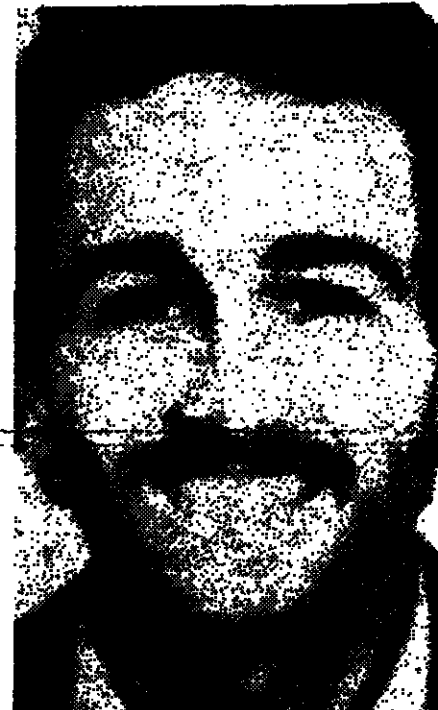
In these political crusades, the fanatical recruits of Dawa and Islamic Amal become terrorist pawns in the larger game of such nations as Syria and Iran. They are moved around from country to country in the name of a jihad, dealing death to strangers — and to themselves.



Raad Miftel Ajeel



Hussein Musavi



Elias Foad Saib

West Europe Making New Cuts in Social Programs

By James M. Markham

New York Times Service

BONN — Hard times in Western Europe have obliged both poor and relatively prosperous countries to make fresh cuts in welfare systems, which are widely perceived as the bedrock of Western Europe's postwar political and social stability. But although regularly described as crisis-ridden, the welfare state has not been dismantled, only pruned.

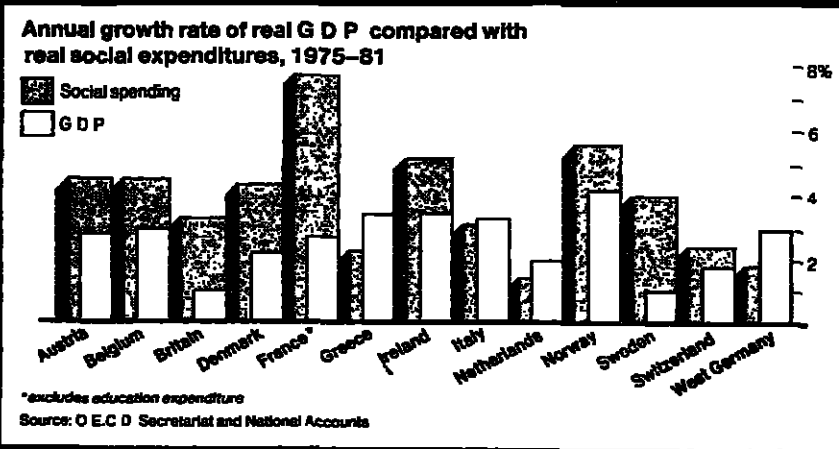
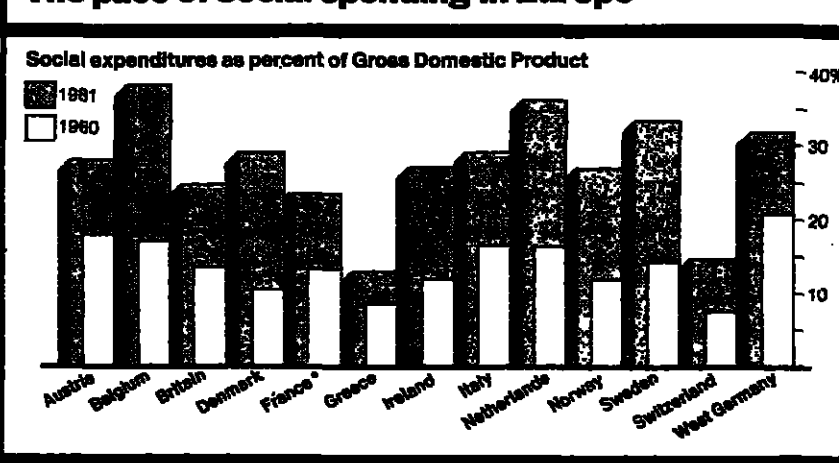
The surprising thing is that retrenchment did not come sooner. The Organization for Economic Cooperation and Development, which monitors the health of the major industrial nations, reports that between 1960 and 1981 social expenditure in the principal West European economies leaped from 14.5 percent to 26.3 percent of their output of goods and services. (In the United States over the same period, the rise was from 11 percent to 21 percent.) In Western Europe, huge pension increases led the way, accounting for about 40 percent of social outlays; health care, education benefits and unemployment payments were the next biggest items.

The oil price rises of the 1970s were translated into the first cuts in health and educational benefits, which had exploded in the previous decade. But the persistence into the 1980s of low growth and high unemployment — compounded by the drag of aging populations — has put budget-cutters back to work. Conservative governments in Britain and West Germany have set the pace with surprisingly little opposition from the trade unions, which have been weakened by the high unemployment rate.

In its budget-cutting measures, Chancellor Helmut Kohl's center-right coalition has risked offending West German university students, pensioners and expectant mothers. Generous university grants for low-income students must now be repaid, time-off benefits for new mothers have been cut from \$268 monthly to \$182, and pensioners must now make a 5-percent contribution to what had been free medical insurance.

Indication changes have brought pensions down 5 percent to 6 percent in real income compared to 1979. Unemployment benefits have been cut for workers without children, too — from 68 percent to 63 percent of total salary in the first year, and from 58 percent to 56 percent in subsequent years. Heinrich Franke, a state secretary in the Labor Ministry, predicted

The pace of social spending in Europe



confidence that "there will be no more cuts." Other Christian Democratic strategists concede that if a tentative economic recovery falters, pressure will build from the party's right wing for drastic welfare reductions. That might turn a prevailing mood of resignation to wrath.

In Britain, a decisive election victory in June has enabled Prime Minister Margaret Thatcher to resume her campaign to streamline the civil service by eliminating 630,000 jobs, or 14 percent of the total. A drive has also been launched to cut 5,000 jobs from the nationalized health service. The brunt of the health spending cuts have fallen on the elderly, the handicapped and the mentally ill, arousing some resistance from medical personnel. Other Thatcher targets are high-spending local authorities in urban and poor areas whose funds must be matched by the national government. Housing benefits and free hot school meals, except those for the poorest, are also being trimmed.

The opposition Labor Party, after its electoral debacle, has muted its criticism of Mrs. Thatcher's piecemeal assaults on the British welfare state. And elsewhere in Europe politicians have found electorates responsive to the need for some sacrifices.

Prime Minister Poul Schluter of Denmark called an election in December after parliament turned back an austerity budget. Last month, Mr. Schluter reaffirmed his popularity with the voters, and this month he squeaked through to a majority when the last votes by mail were counted. In the Netherlands, Prime Minister Ruud Lubbers' center-right coalition was able to withstand sporadic strikes and slowdowns last fall by public sector workers protesting wage reductions.

The Socialist-led governments of France, Italy and Spain have been less rigorous. President François Mitterrand initially thought that a policy of inflation would create jobs and avoid welfare cutbacks, but since last March his government has been forced into an austerity program that has meant new private contributions to social security and restrictions on unemployment benefits. The budget for the costly state hospital system has been diminished.

In Spain, Prime Minister Felipe Gonzalez learned from the earlier spending policies of the French Socialists and has since proposed increased social security contributions by workers and a startling drop in retirement pensions from 90 percent to 65 percent of salary.

Brazilians Demand Direct Vote in '85

By Alan Riding

New York Times Service

RIO DE JANEIRO — Two words — *diretas ja*, meaning direct elections now — are beginning to disturb the Brazilian military government's plans to step quietly out of office without assuming the risks of full democracy.

The words are waved on banners in street demonstrations, printed on T-shirts sold along Copacabana Beach, proclaimed in freshly painted graffiti and even mentioned in statements by Brazilian bishops.

While willing to hand over power to a civilian administration for the first time since the army seized power in 1964, the government is still insisting that the next president be picked next January by a 686-member electoral college rather than by 35 million voters.

But since the succession rules were revised two years ago to maintain government control over the electoral college, a sharp deterioration in Brazil's economic and political situation has increased the demands for direct election. Suddenly "diretas ja" has come to dominate all political conversation, as if the words themselves offered a solution to Brazil's crisis.

Perhaps the largest public demonstration in Brazil in 20 years took place Jan. 25 in São Paulo to press for direct elections, with opposition politicians, artists and popular sports commentators addressing a crowd of 250,000 people.

The campaign is expected to end with a march to Brasília in early April, coinciding with a congressional vote on a constitutional amendment proposed by the opposition Brazilian Democratic Movement Party for immediate restoration of direct elections for the presidency. Opinion polls indicate that 90 percent of the electorate favors approval of the amendment.

The administration of the incumbent president, General João Baptista Figueiredo, continues to oppose "diretas ja," but government officials have speculated about approving direct elections in 1990 or reducing the next president's term from six to four or even two years to permit direct elections to be held sooner.

According to Brazilian political commentators, the government's reluctance to approve immediate direct elections stems partly from its fear that a strong civilian administration might hold the armed forces accountable for past abuses of power, as is occurring in Argentina. But the commentators said the government's

principal concern was that direct elections might be won by the charismatic governor of the state of Rio de Janeiro, Leonel Brizola. One irony is that the entire debate is a result of General Figueiredo's decision to accelerate a political liberalization process begun in the mid-1970s by his predecessor, General Ernesto Geisel. In 1979 General Figueiredo won great popularity by decreeing an amnesty for political prisoners and exiles, lifting direct censorship and revoking a law that gave the president sweeping, arbitrary powers.

In direct elections for Congress and state governors in November 1982, the government also accepted important opposition gains, including victories in 10 of 22 state gubernatorial elections and in 244 of 479 congressional districts.

The greatest impetus to the "diretas ja" campaign was provided by General Figueiredo himself, first when he remarked in November that he favored direct elections and again in late December when he publicly renounced any ambition to "coordinate" the selection of the official party's candidate. By seemingly surrendering his "right" to pick a successor, he created a political vacuum and encouraged the belief that the rules could be changed.

Argentine Military in an Uneasy Mood

By Edward Schumacher

New York Times Service

BUENOS AIRES — Weeks of prosecutions and public denunciations of the military's human rights abuses have produced an uneasy mood in the armed forces, according to officers as well as civilians close to the military.

"If this aggression against the armed forces continues," a senior army officer said in an interview, "it is going to provoke a confrontation."

The two-month-old elected government of President Raúl Alfonsín has begun courts-martial of nine former junta members and a police chief on charges of ordering thousands of assassinations and widespread torture in an anti-terrorist campaign in the 1970s.

Citizens aided by human rights groups have also filed more than 30 lawsuits against commanders for the slayings and disappearances of relatives. Former President Reynaldo B. Bignone and several other officers have been indicted and jailed without bail.

The federal police on Monday arrested a retired admiral, Rubén Chamorro, who is widely accused of having headed a clandestine torture and interrogation center in the 1970s, according to Reuters.

Retired generals who once commanded fear are taunted and cursed by crowds outside court-houses. When Major General Luciano Mendondez, who is retired and an outspoken hard-liner,

was called to appear before a congressional subcommittee for criticizing the prosecutions, several hundred people pelted his car with bricks, breaking the windows.

The military generally respects Mr. Alfonsín and is prepared to abide by the rulings of the courts and court-martial boards, the officers and civilians said. What unsettles the armed forces, they said, is what they see as a campaign by some human rights groups and others to stir up anti-military feelings. They said this was being done by making unproven charges and playing up such emotion-packed evidence of the anti-terrorist campaign as the thousands of bodies being uncovered in unmarked graves.

"Alfonsín is acting thoughtfully for the good of the country," the senior officer said, "but there are subversive elements at work that he cannot control."

The officer spoke in the house of a civilian on the understanding that his name would not be used because of a government ban on political statements by military officers. He said he had spent more than 30 years in uniform, once trained in the United States and commanded a regiment in the anti-terrorist fight.

He cited the possibility of acts of terrorism by underground military groups as possible responses to the anti-military campaign, although he and the others interviewed stressed that no such acts were being considered now. They said the military, which left office in disgrace over the defeat by Britain in the 1982 Falkland Is-

lands war, is intent on professionalizing itself and on serving the new democracy.

In a far-reaching move Feb. 6, Mr. Alfonsín appointed civilian directors over Fabricaciones Militares, ending 50 years of military control of a state industrial complex that is the nation's largest employer. The complex, which includes domestic airlines and produces an extensive array of nonmilitary goods ranging from paint to plow disks, has long been a source of political patronage run by the military.

Mr. Alfonsín also has retired several generals and admirals and appointed democratic loyalists as staff chiefs under civilian secretaries. Sharply critical of the attacks outside court, he said, "The government will not put up with vengeance of any kind."

Officers in the three services have said in interviews that they were the victims of the 1970s repression of terrorism by letting corruption and the repression of terrorism get out of hand while becoming too arrogant in power.

But they defended most of the military actions, saying that leftist terrorists brought the country to the brink of disintegration in the mid-1970s with hundreds of assassinations and widespread bombing and kidnapping. "Someone had to dirty their hands," the senior army officer said, "and we took it to be the best, perhaps it's because there were no others."

1250 من الاصل

QATAR

A SPECIAL ECONOMIC REPORT

WEDNESDAY, FEBRUARY 22, 1984

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Bartering Spreads In the Oil Industry

DOHA — Qatar is facing serious difficulties in marketing its oil, and signs of a firming market do not seem to indicate an end to its problems. To overcome the problem, Qatar has resorted to barter.

Instead of receiving payment in cash, foreign companies are getting compensated by the government in oil. Lately, barter deals have started to spread to foreign firms outside the field of oil production, accounting for more than half the country's exports last year. Other members of the Organization of Petroleum Exporting Countries that have done the same under the pressure of the soft oil market include Libya and Nigeria.

Ali M. Jaidah, general manager of the Qatar General Petroleum Corporation, reluctantly confirmed the new trend, saying that the reasons behind it were "marketing difficulties, sometimes technical problems, but basically it is a liquidity issue." The government's growing budget deficit due to lower oil prices and a reduced production quota, he explained, has led to a shortage of funds required to finance government projects.

The reduced revenue, coupled with QGPC's success in carrying out barter deals, have apparently encouraged the company to raise production to the OPEC ceiling of 300,000 barrels a day, sometimes going slightly over that during the last six months of last year. Production averaged 280,000 barrels a day during the first half of the year. Qatar's quota, fixed at a stormy OPEC session a year ago, is the third-lowest in the organization and the smallest number of barrels Qatar has produced in the last 10 years.

The barter system has proved successful, because of the exceptionally bad market conditions, which led to the price crash last year. "When you are owed money, you want to get it regardless of the form; you have no choice," Mr. Jaidah said. He said that the oil involved in the barter deals was evaluated on the basis of the OPEC benchmark price of \$29 a barrel.

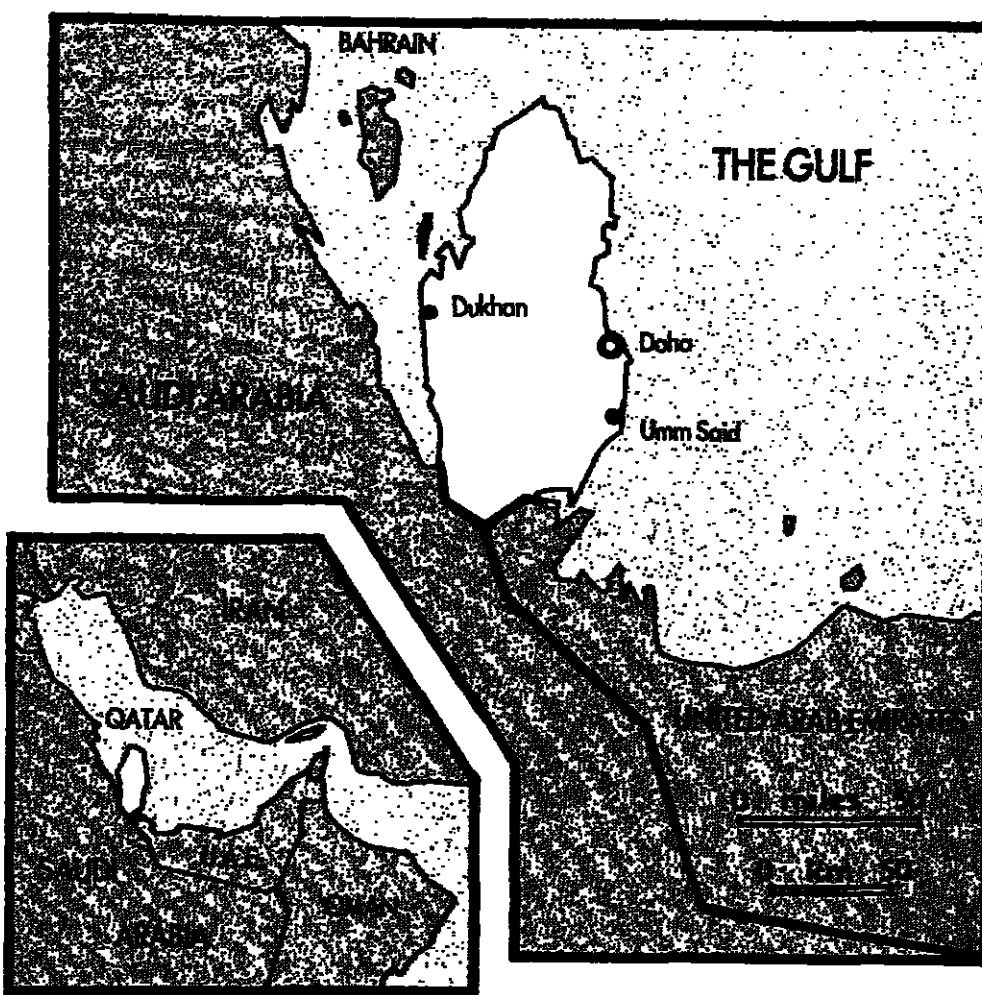
The QGPC, formed 10 years ago, has gradually taken over control of all oil- and gas-related operations, including exploration, drilling, production, refining, marketing and local distribution of oil, gas and their byproducts.

Taher Hadidi, a senior expert at QGPC, who has witnessed the growth of the organization, said that it has come a long way since foreign

(Continued on Next Page)



Gas liquefaction plant at Umm Said.



After the Boom: Learning to Live With Less Income

By Olfat Tohamy

DOHA — Qatar's economy has successfully overcome the challenge of reduced oil prices with quarterly adjustments to the dwindling revenues. This year represents a further challenge — following last year's drastic curbs — implying that extra effort will have to be made to catch up with development plans.

A number of encouraging factors will help the government recover from the oil-price shock of last year, which weighed heavily on the economy in the second quarter, during which it was virtually stagnant. The restraint characterizing the government's reaction to the sharp fall in oil revenue, which accounts for 80 percent of its income, was reflected last spring by an austere budget that cut public expenditure by more than one-third.

The government's forecast of an unprecedented billion-dollar overall deficit for the current budget now seems to have been excessively pessimistic. By the fourth quarter of the year the gap between the government's expenditure and its earnings narrowed — an achievement due mainly to the slashing of capital expenditure on minor projects and the rationalization of regular current expenses.

Qatar's position on the list of highest per-capita incomes is among the reasons that private consumption has adjusted to a lesser extent to the belt-tightening, entailing a smaller drop in imports. The trade surplus was thus expected to drop by a quarter from fiscal 1982-1983.

Backed by \$15 billion in income-earning foreign assets accumulated after the oil boom, together with reserves untouched since that time, Qatar could maintain its strong international position and avoid seeking help from the Euromarket.

Qatar's high ratings for managing the economy during last year's crisis, however, have been earned at a high cost. The trend of curbing government and public-sector expenditure, going back to the time of sliding oil prices five years ago, has entailed a postponement of heavy but necessary investment in certain areas, including infrastructure facilities, urban development and industry. This is particularly true of 1983, when implementation of government plans came to a complete halt, picking up with some hesitation during the third and fourth quarters.

Lagging behind the other rich oil-exporting countries that seized the opportunity of the oil-price surge to build a network of roads, power stations, desalination plants and other facilities serving them beyond this year 2000, Qatar is now under pressure to meet the short-term expectations of its people. Among projects shelved last year were the expansion of the capital's airport, implementation of the government's plan to build a modern extension to Doha at its West Bay, the Wusail Power and Desalination Plant and the second phase of Qatar University.

Action has been taken lately on the university project, a sewage-treatment plant, raising the production capacity of the Qatar Petrochemicals Co. and the Umm Said oil refinery. Two huge investments that will impose themselves on Qatari decision makers this year because of their urgency are the airport expansion project and the Wusail plant, with a total investment capital of \$6 billion.

Barring last-minute surprises, and assuming the agreement on the development of the field will be signed soon, the government will be expected to allocate its share in the project's first phase in the coming budget. With construction work due to start next year, the government

(Continued on Next Page)

BASIC DATA

AREA: 11,437 square kilometers. POPULATION (1982 est.): 260,000; Doha 190,000.

AGRICULTURE: 10 percent of the working population is engaged in agriculture. Between January and May of each year Qatar is self-sufficient in fruit and vegetables.

COMMERCE: In 1981, exports totaled 21,272 billion riyals and imports 5,224 billion riyals. Japan provided 18 percent of the imports, the United Kingdom 18 percent and the United States 11 percent. Twelve percent of exports went to the Netherlands, 11 percent to Japan and 11 percent to France.

CURRENCY: The Qatari riyal is divided into 100 dirhams. On February 21, 1984 \$1 = 3.64 riyals.

No New Construction Projects in Offing

By Marcus Wright

LONDON — When Qatar published its 1983-1984 budget last April, contractors there realized that the boom days were temporarily over. The government has always been fiscally cautious and at a time of low revenue from crude oil it has decided to cut back heavily on new construction and project work.

There were similar cutbacks in the late 1970s after a construction boom sent the inflation rate upward. After the 1979 increase in oil prices the government injected funds into the sector again. Today much of the country's infrastructure is in place — the nucleus of a heavy-industry complex has been built at Umm Said, and Doha itself has lost the air of a permanent building site.

Until revenue from oil rises again, new construction work is likely to center on developments that relate to previous commitments. Into this category fall the planned \$550-million base to house 14 Mirage jet fighters already ordered from France, and pipeline and export facilities for a new 55,000-barrel-a-day refinery at Umm Said.

The cutback on new projects began toward the end of 1982, when oil production started to fall off seriously and the OPEC price structure came under pressure. Announcement of the 1983-1984 budget — which runs from April to April — followed soon after the March OPEC conference in London that cut average prices by \$5 a barrel.

The budget reflects the government's caution at a time of uncertainty. It contains virtually no allocations for new construction work and envisages total capital spending of \$1.1 billion. The previous budget, which covered an 18-month period, allowed \$2.6 billion.

Contractors were already under pressure because the Finance and Petroleum Ministry had delayed contract payments as revenues fell. For some of its existing commitments — large contracts for desalination and power plants — the ministry offered payment in crude oil.

There is some evidence that the government overstated its financial problems. It originally expected a \$1-billion budget deficit for which it

(Continued on Next Page)

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QATAR

New Field Boosts Gas Export Hopes

DOHA — Qatar is in the process of becoming one of the world's major natural-gas exporters, backed by huge reserves that promise continued growth over the next decade.

The new mine of wealth, experts say, is the second largest in the world, with more than 100 trillion cubic feet of proven reserves and estimated reserves of 300 trillion cubic feet. It is an offshore field 72 kilometers (about 45 miles) from the northeastern coast of Qatar.

Development of the field is expected to start next year after financing arrangements are made by the Qatar General Petroleum Corporation in light of the current negotiation with British Petroleum and Compagnie Française des Pétroles on setting up a company to run the liquefied natural-gas project.

QGPC's participation in the \$6-billion plant is 70 percent; BP and Compagnie Française have 7.5 percent each. The remaining 15 percent is to be offered to a major firm, possibly from Japan, which is expected to become the main importer of the field's production and a potential source of funding for the project.

An understanding has been reached on the two phases for developing the field. The first phase is aimed at fulfilling the domestic market's increasing needs, with production beginning two years after construction work starts. Its output will supplement production from the Khuff field, which is expected to be depleted in five years.

The country's industrial base is geared to natural gas, with the fertilizer, steel, petrochemicals and cement plants responsible for the staggering growth in local consumption in recent years. The local market's sole supplier of LNG at present is the plant at Umm Said, processing associated gas, with a capacity reduced in proportion to the trimmed oil-production quota.

The growing local demand is expected to consume one-third of the project's planned maximum capacity of 2.5 billion cubic feet a day at the completion of the second phase, which is scheduled for five years after completion of the first. The plant is also expected to provide quantities of natural gas liquids, naphtha and sulfur.

A recent study predicts a bright future for Middle East natural-gas exporters, with the growing reliance of Far East industries on its products, particularly in South Korea and Japan. The trend seems to have started already with Saudi Arabia's Petromin recently concluding a long-term agreement for the supply of large quantities of LNG to Japanese and U.S. companies.

Sheikh Rashid al-Thani, deputy managing director of QGPC and director of the North Field project, describing the market as "tight," said "we have to start soon and struggle to market our products" as soon as the agreement is finalized. Two other members of the Gulf Cooperation Council, Saudi Arabia and Kuwait, head the list of prospective customers. A study is being prepared on the subject by the GCC, which groups the oil-exporting states of the Arabian peninsula. Sheikh al-Thani denied that the two states would be offered special treatment or special rates. "The understanding is that the price will be set on the basis of supply and demand," he said.

Excluding the possibility of exporting to the United States, Sheikh al-Thani said that he planned to concentrate on prospective clients from Japan and Korea, pointing out that the market there "is very competitive." Of prospective European buyers, he singled out Britain, which he said had expressed interest in an eventual deal.

—OLFAT TOHAMY



The oil reservoirs on Halul Island.

Building: No New Projects

(Continued From Preceding Page) would have to draw down financial reserves. But recent figures from the central bank show a small surplus for the first half of the fiscal year.

The books were balanced mainly at the expense of the contractors. The same central bank figures show that imports of construction machinery and transport equipment more than halved in 1983, dropping from \$303 million in the third quarter of 1982 to \$139 million in the corresponding period of 1983.

The main reaction to this belt-tightening has been to shed staff, both for contractors and for government departments that deal with construction. The Engineering Services Department, the government organization dealing with most public-works contracts, has laid off nearly 1,000 casual workers as well as several of its skilled expatriates. The ESD budget for 1983-84 is a good indicator of the slowdown — it comes to about \$170 million, compared with \$962 million in the previous budget.

"The amount of money available for work this year is equivalent to about two weeks' worth of new work last year," an ESD spokesman said.

Competition for the new projects

that are tendered has become intense. South Korea's Daewoo Industrial Co., which at one time employed 1,000 workers on its desalination contract at Ras Abu Fontas, is faced with withdrawal from the Qatar market unless it wins work on the Umm Said refinery pipeline project. This was subject to several rebids and it is possible that the successful contractor will have to take payment in barter crude.

There is some resistance to awarding contracts on this basis, both from contractors and at the Ministry of Finance. Contractors face the danger of losses on the resale of crude in a volatile market, and the ministry has been criticized at OPEC for the deals.

But contractors face little alternative if they wish to get new work, and the solution seems to suit the government, which has often found trouble selling its crude for cash up to its OPEC quota of 300,000 barrels a day. Last October, Midmac Contracting, a local company, announced that it would accept crude payment for work on phase two of the new Qatar University, a project that had previously been frozen.

The pipeline and export facilities for Umm Said refinery may now be let with crude payment. The other major government project, the base

for Mirage fighters, may receive cash allocations in the next budget because of its strategic importance.

In the absence of enough government work, contractors have been looking to the private sector and to the oil companies to keep their order books full. Several hope that private investors will sponsor work at West Bay, the area of reclaimed land to the north of Doha planned as a major real-estate development. To date, the response has been slow; private investors are reluctant to invest at a time of government cutbacks.

Other contractors have invested in the oilfield services sector, awaiting a government decision to move ahead with development of the offshore North Field gas reserves. The local Mannai group and the Qatar National Navigation Co. have each set up offshore fabrication yards at Umm Said in anticipation of North Field work.

Even if the government postpones its decision on the North Field, there is a substantial amount of work in the oil sector for maintenance and oilfield development. The onshore and offshore operating companies each had 1983 budgets of about \$250 million, larger than the capital budget of any single ministry.

Industry: A Time of Challenge

By Robert Bailey

LONDON — Qatar's heavy industries are facing a challenging period. World markets for the almost totally export-oriented production of low-density ethylene, fertilizers and steel bars are in recession. Oil production, in line with OPEC decisions, is down to little more than 300,000 barrels a day.

This situation questions the viability of Qatar's industrial operations, which are predicated on a plentiful supply of associated gas, produced at the same time as crude oil, and which, if not used, is flared off.

However, in spite of the undoubtedly serious constraints, those charged with planning strategies for Qatar's heavy industries have a base of production and marketing experience superior to any other state in the region, including Saudi Arabia. But in the next few years, Saudi Arabia and the other Gulf states will, as their own heavy industrial undertakings come on stream, edge into traditional Qatari markets.

The problems do not look any easier in the short term. At the end of 1983 Mohammed Said Mishal, director-general of the Industrial Development Technical Center, said of the three principal industries in Qatar that while the Qatar Fertilizer Co. (QAFCO) was profitable, the Qatar Steel Co. (QASCO) and Qatar Petroleum Co. (QAPCO) were running at a loss.

QAFCO was the first heavy non-oil industry when it began operation in 1973. Like subsequent industrial ventures it was formed as a joint venture with foreign partners who hold minority shareholdings. In QAFCO's case, Norway's Norsk Hydro has 25 percent and Britain's Davy Power Gas and Hamworthy Bank 3 and 2 percent respectively. The Norwegians provide management and marketing expertise. The QAFCO plant, built at a cost of 1.36 billion riyals, is able to produce 1,800 tons of am-

drous ammonia and 2,000 tons of urea a day.

India takes nearly half the output. Other prominent customers include China, Australia, Pakistan, Malaysia and Iran. QAFCO has been able to augment its gas feedstocks by taking nonassociated gas from the Khuff geological formation lying under Qatar's principal onshore Dukhan field, 55 miles (88 kilometers) west of Doha. But market prices for urea have declined by two-thirds in the last decade, with the result that profits for QAFCO and other world producers have plummeted.

Unfortunately such are the economies of scale that domestic sales are equivalent to about 10 minutes of QAFCO daily production. It seems likely that in order to protect profit margins from further erosion a reduction in the company's largely expatriate, 1,200-man labor force may occur.

QASCO, because of low steel prices and interest payments on capital investment, is in the red. Nevertheless, the plant, opened in 1978, is a highly successful operation by any technical standards and has consistently achieved production levels beyond the rated capacity of the plant. Since opening, the plant, which is 20 percent owned by Japan's Kobe Steel and 10 percent by Tokyo Borel, has turned out 2 million tons of steel. Nearly 90 percent of this has been exported, mainly to Saudi Arabia and other Arab states. About 10 to 12 percent of production is used locally in construction and small metal industries making pipes, frames and water tanks.

How far QASCO's fortunes will be affected by sales from the new Saudi Iron and Steel Co. plant at Jubail, for which QASCO has supplied management and technical training, remains to be seen.

QASCO general manager, Motomi Kano, believes that the Saudi market will continue to take about 200,000 tons a year of reinforcing bars. He estimated the kingdom's

requirements at 1.5 million tons a year. He also said that there was sufficient room for both in the Saudi market. However, the coordinating planning mechanisms, such as they exist of the Gulf Cooperation Council are likely to be needed if long-term friction is to be avoided.

The same argument applies to QAFCO, the most recent of Qatar's heavy-industry undertakings, which, like steel and fertilizer production, is situated at Umm Said, 30 miles (48 kilometers) south of Doha.

QAFCO was set up in 1974. The majority partner is France's CDF Chimie, a subsidiary of Cofimex, a subsidiary of Cofimex, the Gulf's largest producer of ethylene and low-density polyethylene, at least until the Saudi complex at Jubail and Yambo come on stream and until Iraq can revitalize its ravaged Khior al-Zubair petrochemical complex at Basra.

But the most immediate worry for QAFCO concerns production levels. Problems of falling output for oil and associated gas and the consequent shortage of natural-gas liquid feedstocks from QATAR's two LNG plants worsened in 1982. This was because of difficulties with the pipelines that link Qatar's offshore fields of 10 al-Shargh, Maydan Maltam and Bul Hamir, with the LNG plants at Umm Said.

Due to a lack of ethane, the essential feedstock, and since the existing low-density (280,000 tons a year) capacity plant was working at half capacity, QAFCO canceled an order with Japan's Mitsui in 1983 for a \$63-million large-scale high-density polyethylene plant, with a capacity of 70,000 tons a year.

Following this decision, QAFCO has opted to invest in a turbo-expander unit. This is designed to chill the ethane in associated gas to increase ethane recovery at Umm Said's LNG plants. In theory, by using the turbo-expander and if oil production is increased to 350,000 barrels a day, QAFCO will be able to reach full production of ethylene and low-density polyethylene.

Barter Spreads in Oil Industry

(Continued From Preceding Page)

companies were granted concession areas and the government was paid a modest percentage of the revenue of production. Foreign companies currently operating in Qatar include British Petroleum, Compagnie Française des Pétroles, Shell, Mobil and Exxon. The latest statistics released by QGPC show that its main export clients are Japan — by far the largest importer with more than 11 million barrels

of oil during the third quarter of last year — followed by Italy, Spain, France and West Germany.

No new fields have been discovered in the last few years, and exploration activity has slowed with the worldwide slackening demand for oil. But Mr. Jaidah, who is a former OPEC secretary-general, said that the market had shown signs of recovery during the last two quarters, and he believed that this year will witness a modest in-

crease in demand of about 2 percent.

Although not anticipating that Qatar could pump oil anywhere near its maximum capacity of 550,000 barrels a day, Mr. Jaidah said that "Qatar is a small producer that will have to adjust to reality, and adapt to OPEC conditions."

The country's proven reserves will allow it to continue producing at the present rate for the next 30 years.

—OLFAT TOHAMY

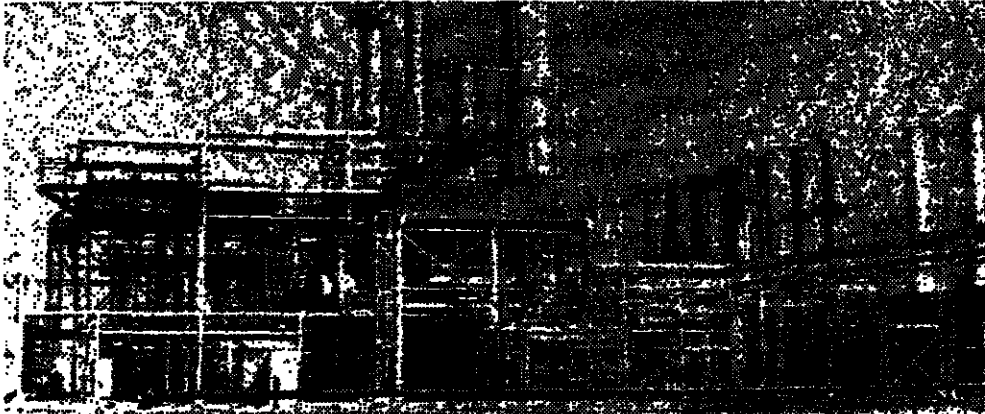
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Part of the refinery installations at Umm Said.

Learning to Adapt to Less Oil Income

(Continued From Preceding Page)

likely to come under pressure to invest \$600 million, half its equity share in the capital.

The Qatar General Petroleum Corp., according to the project director, Sheikh Rashid al-Thani, is participating with 70 percent of the capital, 30 percent of which will be equity.

The project will be a two-phase, long-term investment, expected to bear fruit in eight years when the liquefied natural gas plant will be able to export two-thirds of its production.

The development of the rich, natural-gas field, the second largest in the world, comes in time to compensate Qatar for the sharp falls in oil revenue.

It will also reduce the country's dependence on oil as a source of revenue providing the state with more than 80 percent of its income.

But the difficulty of developing will continue to be linked to the unpredictable hydrocarbons market, and Qatar's economy will remain vulnerable over the next decade to fluctuations in those markets.

Qatar has had a disappointing experience with industry. Its major public-sector projects are incurring losses due mainly to declining world prices, unforeseen at the time of the implementation of these projects.

This applies to the petrochemicals, fertilizer, cement and steel industries. But rather than protect the national industry from unfair competition with cheap imports through raising customs duties, the government has opted for lowering the price of the local product, as in the case of cement.

Qatar is hoping to diversify its industry, which is facing competition from other states in the Gulf, by enhancing complementarity in major industries, said Sheikh Abdel Rahman al-Thani, director of the Industrial Development Technical Center.

He said that in spite of lavish incentives offered by the government to encourage private-sector participation in industrial development, private investors remain hesitant and reluctant.

The sizable business community, concentrating its activity on trade, construction and banking, has refrained until recently from making medium or long-term investments.

But a positive response to the government's policy is gradually emerging as a result of the slowdown in construction work and the reduction of private consumption.

Sheikh al-Thani said that the number of permits issued for new industrial projects has

reached 50, mainly for local market-oriented enterprises.

Another healthy sign, according to Abdul Wahed Mawlawi, manager of the Commercial Bank of Qatar, is a 20-percent increase in private deposits over last year and a shift toward time deposits.

But Jawad Azzeh, financial adviser of the Qatar National Bank, said that there was a bigger increase in foreign-currency deposits, largely due to the low interest rate on Qatari riyals set by the Qatar Monetary Agency.

This, coupled with the lack of investment banking and a local capital market, could further offset the balance in favor of investment abroad.

QMA figures show that at the end of last year foreign investment was more than four times as much as local investment. An influential banker and businessman, Hussein al-Fardan, said that the smallness of the market serving about 300,000 people, including natives and foreigners, is a restraining factor.

He agreed with Mr. Azzeh of QNB that this year will also be a "flat" one in business and banking.

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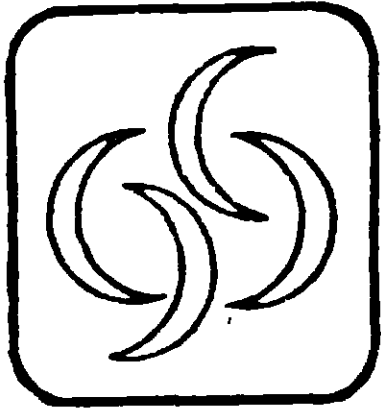
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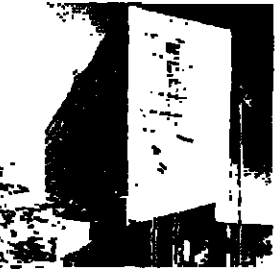
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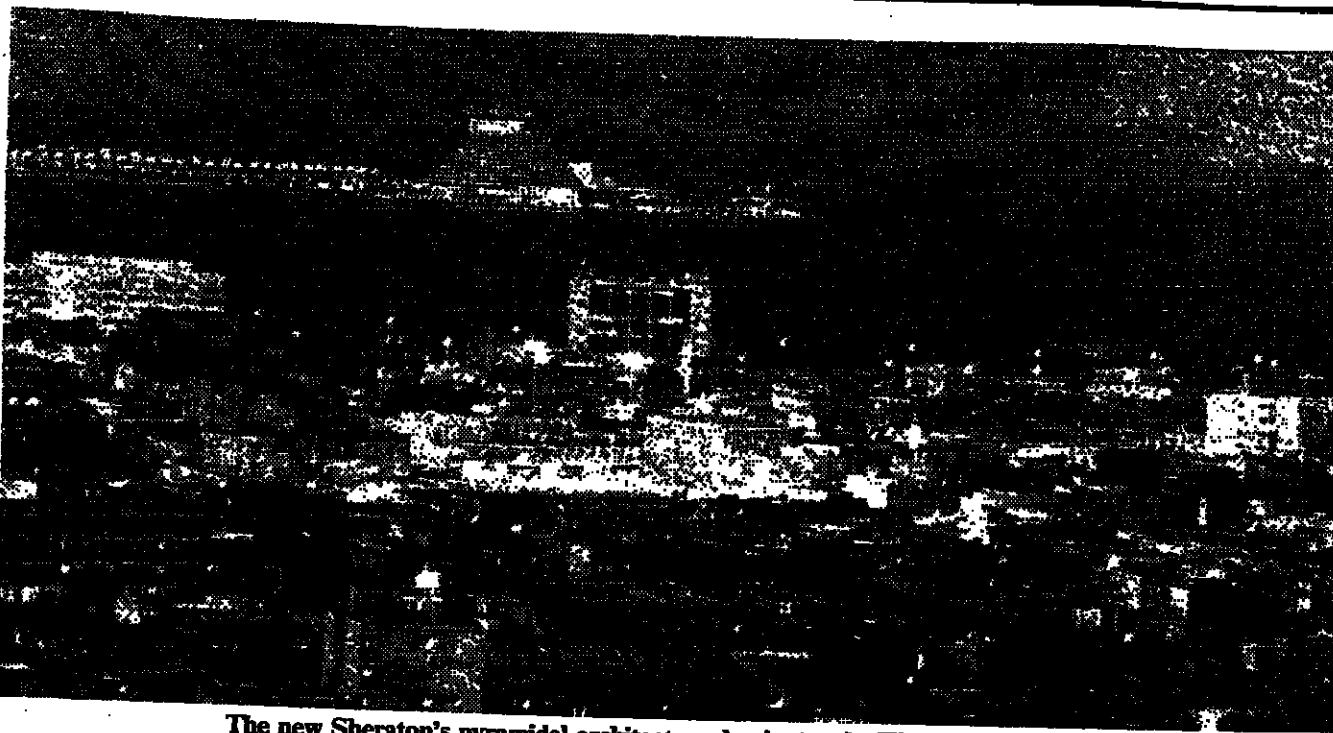
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The new Sheraton's pyramidal architecture dominates the West Bay in Doha.

The Drive to Assure 'Food Security'

By Susannah Tarbush

LONDON — Qatar faces the formidable task of drawing up and implementing policies to combat two of its most serious problems: a lack of food security and the rapid depletion of its water reserves.

Qatar shares its concern over the high level of food imports with its five fellow members of the Gulf Cooperation Council — Saudi Arabia, Bahrain, Oman, Kuwait and the United Arab Emirates. The GCC is worried that the region could one day be confronted with a "food weapon."

Thus, the drive to improve agricultural production is a top priority. Increasingly, Qatar's agricultural decision makers see themselves in a Gulf context rather than in a national context. The GCC states are pooling agricultural data and research experiences.

A report on agriculture in the Gulf published last year by the Economist Intelligence Unit singled out Qatar for praise. "Qatar is the only country in the Arabian peninsula in which it is possible to find a firm and coherent data base on which to build an agricultural policy," according to the report's authors, Howard Bowen-Jones and Roderick Hutton.

The comments are a tribute to Qatar's intensive efforts over the last decade to gather information and carry out agricultural field work with the help of the Food and Agricultural Organization (FAO) and the United Nations Development Program (UNDP). The Khawass-based Arab Organization for Agricultural Development are taking topographical surveys. But building a data base is only half the battle.

By 1980 Qatar was 42 percent self-sufficient in winter vegetables and 68 percent in summer vegetables. In other foods there was a glaring deficit, however; the level of self-sufficiency was 1 percent in cereals, and all beef was imported. For was Qatar self-sufficient in dates, the Gulf's traditional crop; it had to import nearly half its needs.

According to Mr. Bowen-Jones and Mr. Dutton, "The only agricultural sector that can be regarded as economically justified is the production of vegetables on an intensive basis."

The experimental farm at Al-Otariyah, operated with FAO assistance, has enjoyed considerable success. Faysal Ruwayha, who worked with the FAO in Qatar as a horticulturist for eight years beginning in 1974, talked with enthusiasm of the pioneering work to "start something new in the Gulf area — which is greenhouses."

"Usually when you think of a greenhouse you think of trapping heat to grow things," he said. "Here we wanted to expel heat and to trap cold air. It requires certain mechanics."

The Al-Otariyah farm was particularly successful in producing cucumbers during the scorching summer months. Tomatoes were also grown, although with less spectacular results.

Encouraged by this research, the Industrial Development Technical Center (IDTC) has begun a project to produce coolhouse vegetables at Shahaniya. The Dutch company HVA Agro-Industrial is supplying the greenhouses and will build and manage the farm. It will have a reverse osmosis plant to purify water from an underground aquifer.

In another experiment, to be carried out with Japanese help, Qatar hopes to turn the sun into an asset instead of an agricultural liability. The JGC Corp. is exporting a pilot plant to the IDTC for use at the solar heat research center. The idea is to vaporize sea water in ditches, and allow the vapor to permeate a cooler bed of sand above. The system will be used for two years to grow vegetables, including green peppers and tomatoes, and the IDTC will then decide whether to adopt the technique on a wider scale.

The beauty of the Japanese plant is that it uses seawater, important for Qatar, which is literally mining its precious groundwater at an alarming rate. An FAO study warns that the northern aquifer, on which most of the country's agriculture depends, will cease to yield fresh water by the end of the century if current extraction rates continue.

Qatar's meager rainfall of 50-80 millimeters (about 2-3 inches) a year is insufficient for rain-dependent agriculture, but it plays a vital role in recharging the aquifer. It is thought that the aquifer water could safely be tapped at a rate of 33 cubic meters a year without serious depletion.

but in recent years the rate has soared to about 80 million cubic meters.

The structure of the farming system has not encouraged good water use. Farming is often undertaken as a somewhat casual enterprise more for pleasure than as a commercial activity. Although commercial farming is on the increase, the farms tend to be small with mainly expatriate managers and laborers.

Water is not always used economically. Although the government has taken steps to try to reduce water use and limit pumping, legislation has been difficult to enforce. Mr. Bowen-Jones and Mr. Dutton calculate average efficiency in water use at 44 percent, but research centers have achieved significant improvements.

One way of cutting down the use of groundwater is to provide treated sewage effluent (TSE) as an alternative. TSE has been used since 1974 to water public gardens and ornamental trees in Doha, and it is now being produced in greatly increased amounts from the treatment plant at Najla, south of Doha. Up to 14 million cubic meters (490 million cubic feet) a year of TSE is available for agriculture. Once all houses are connected and another treatment plant is built, the amount will rise to 25 million cubic meters.

The Australian Overseas Projects Corp. has drawn up plans for a farm irrigated by TSE to be set up at Wadi al-Diyah, 70 kilometers (about 43 miles) from the treatment works. The farm is to have 1,000 Frisian cows fed on alfalfa and barley.

A 700mm-diameter pipeline was to have been built, but the government now seems to be having second thoughts about the farm's location.

Despite the assertion of Mr. Bowen-Jones and Mr. Dutton that only vegetable production will prove economically profitable, the two recognize that Qatar may invest in other sectors of agriculture to improve food security. They predict that within 20 years Qatar could achieve a balance of self-sufficiency in winter and summer vegetables, dates, fruit, milk and beef but would remain reliant on imports for most of its munition and for all cereals and other commodities.

Water, Power Needs Continue to Grow

LONDON — Bids have now been submitted for 10 out of 12 packages on the first phase of a new 1,500-megawatt power and desalination plant in Qatar, the only major new project for water and power supply. But a decision to award the contract has been delayed for more than a year, and the electricity and water departments are worried about meeting demand for their services beyond 1986 without having the complex on line.

Some officials say that now that the economy has cooled and with expatriates leaving the country, local demand for power and water will cease to rise at the dramatic pace of the 1970s. Others say that the harsh desert summers require heavy use of water and electricity. "Landlords tend to keep air-conditioning on, even if their tenants have left, in order to maintain the fabric of the buildings," an electricity department official said. "Otherwise the heat and humidity make the buildings decay."

The water department has similar complaints about the watering of private gardens in summer — to maintain lawns residents often keep hoses on for 24 hours a day. The situation is made worse by cheap rates for electricity and domestic water supplies, which are held at a fraction of the cost of production. This is true all around the Gulf — raising the rates would be a major shift away from the free welfare system built up on the oil wealth since 1973.

Change may come through the Gulf Cooperation Council, which is attempting to unify and rationalize the price of water and power to consumers across the Gulf. This could be a prelude to establishing an electricity grid system, useful in case of a major power failure in one of the Gulf states. A major stumbling block is the Saudi system, which runs on the U.S.-standard frequency, while the other Gulf states have installed the European standard.

Without major changes of this sort, the Qatari electricity department expects peak demand to grow from the present 724 megawatts to 1,190 megawatts by 1986, at which point the present generating capacity will be inadequate. Unless the government moves ahead with the new 1,500-megawatt power station — to be sited at Wusail to the north of Doha — the electricity department faces the unpleasant choice of power rationing or of cutting the supply to industry during summer peak demand.

The problem stems from the high cost of desalination and power plants and the government's attempts to cut spending to balance its budget. Wusail's first phase involves eight 5-million-gallons-a-

One alternative is to build smaller and more regionalized power and water plants. This has been pursued by the water department for outlying areas of the country using reverse-osmosis technology.

Another problem is the serious overuse of the country's only natural source of water — the aquifer of

water is pumped out of the aquifer there is a danger that seawater will seep in and make it permanently salty. For several years farmers have been pumping out about 80 million cubic meters (2.8 billion cubic feet) of water a year, while the country's limited rainfall only recharges around 25 million cubic meters annually.

Ironically, as water is being pumped out of the northern aquifer, water supplied to Doha by desalination plants has seeped underground and created a mass of unusable water under the capital. In winter this water comes to the surface, causing flooding of basements and low-lying streets.

About half the water comes from spraying of gardens in the capital, the rest from leaks in the water distribution system. The only solution seems to be to pump the water out from under the capital or cut a channel to allow the water to flow into the sea.

— MARCUS WRIGHT

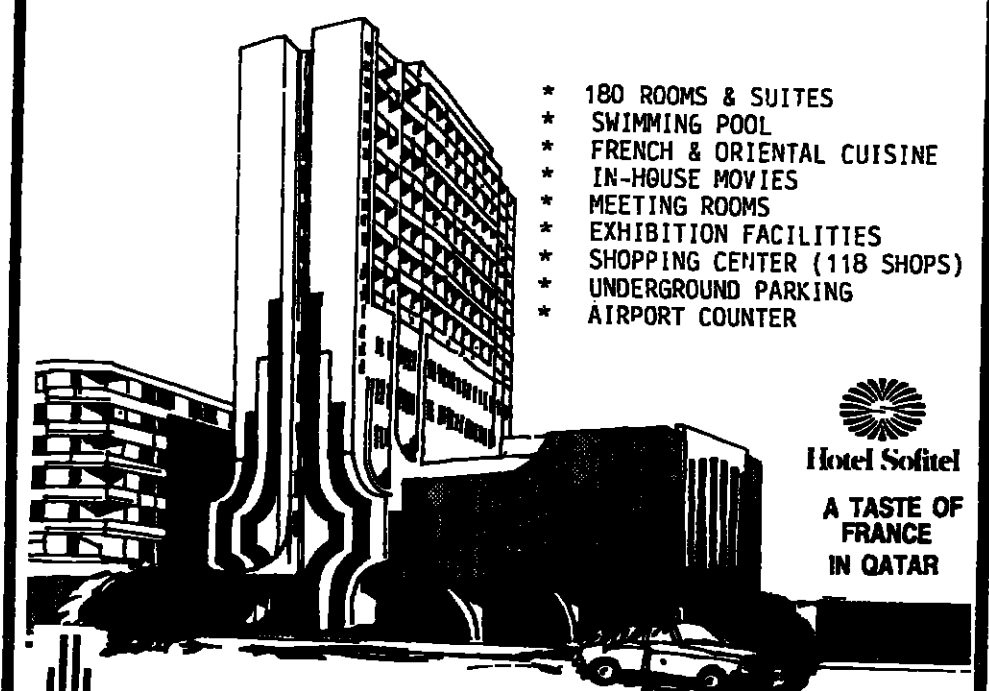
Unless the 1,500-megawatt power station is built at Wusail the electricity department may have to cut supplies in the summer.

In 1983 it paid out about \$210 million worth of crude for contract work at Ras Abu Fatas power station, three back-up stations around Doha and for work on the electricity transfer system. It is possible that the government will move ahead with Wusail on the basis of crude oil payments.

sweet water that lies under the north of Qatar. This has traditionally supported the small farms in the north, where the soil conditions favor vegetable and date cultivation.

The aquifer is also needed to blend with desalinated water to supply the capital. But if too much

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Conservative Policy Guides Banking Sector

DOHA — Qatar is pursuing a conservative policy in developing its banking sector. The sector is adapting to the austerity forced by the fall in oil revenues, but it is not aspiring to compete soon with the financial giants of the Gulf.

The highly developed centers, particularly in the United Arab Emirates, are showing signs of strain, with liquidity shortages caused by the oil slump.

Comparing their hardships with Qatar's manageable short-term bottlenecks, Majid al-Majid, general manager of the Qatari Monetary Agency, said he thought "our cautious approach has proven wiser."

Qatar has 14 banks, all commercial; four are local and the remainder are branches of foreign banks.

A prolonged freeze on new banks ended recently, and two new banks were set up. They are the Qatari Islamic Bank, opened last summer, and Qatari Al-Ahli Bank, which is to open soon. Two of Qatar's local banks figure among the top 50 Arab banks. The Doha Bank is 28th and Qatari National Bank is 30th. The total assets of Qatar's banks at the end of last year were \$3.2 billion.

Foreign banks operating in Qatar include the Chartered Bank,

Grindlays Bank, United Bank, British Bank of the Middle East, Banque Paribas, Oman Bank, Saderat Iran, Arab Bank, Bank al-Mashreq and Citibank.

The lack of investment banks is now partly filled by the Islamic Bank. The need for investment banking is felt by the private sector. New investment outlets are needed because of a saturation in trade and construction, and government officials, whose policy of directing private funds to productive sectors is making little headway.

Abdul Wahed Mawlawi, general manager of the Commercial Bank of Qatar, said that "there are not enough banking services to guide potential private-sector investors."

As a result, there is likely to be a continuing reliance on banking facilities outside the country, especially in neighboring Bahrain. (Bahrain provided four-fifths of Qatar's foreign currency credits last year.) The situation is compounded by the lack of specialized banks in certain potential investment areas, as well.

The outflow of funds is liable to grow. The QMA has attached the local banks' outflow of capital, but the agency seems reluctant to take measures to curb the trend.

Mr. Al-Majid suggested as a way out that the government proceed with investing according to its priorities, then offering successful firms for sale to the public.

The QMA, which partly serves as a central bank, issues currency and supervises at a distance the activities of all banks operating in Qatar. But it has no control over the outflow of currency.

Mr. Al-Majid said that there was an understanding with the banks about a ceiling for foreign transfers, but that punitive action would be taken only in the event of extreme violations.

The Qatari rial has proven to be strong enough to sustain the country's economic difficulties, not requiring QMA intervention to maintain its rate against major foreign currencies.

The QNB complements the QMA, handling most of the gov-

ernment's deposits and disbursements. It was set up 19 years ago with a 50-percent government share. It seems to be the only bank in Qatar that has managed to produce a modest — yet remarkable — 3.3 percent profit last year.

"The bank is growing," said a financial adviser, Jawad Azzeq, referring to a slight increase in the bank's assets and the fact that the bank entered a new phase of development last year with syndication loans of \$75 million and \$100 million for the Qatar Petrochemical Co.

Another bank that is growing professionally is the CBO, whose profits fell by less than 10 percent during last year. Mr. Mawlawi said that the opening of a training center and the computerization of all operations this year put the bank in a "pre-takeoff stage."

— OLFAT TOHAMY

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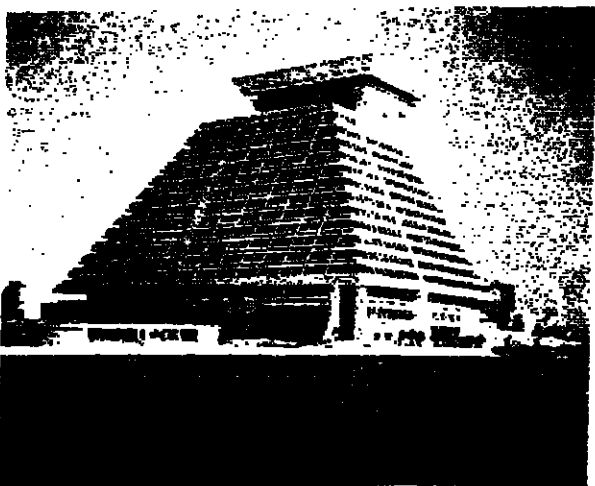
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GUELBS DEBUT AT EL-RHEIN — JULY 1984

Iron Ore — the 'motor' driving the industrial development of Mauritania for the past 20 years

by Rupert Bibra

The Iron Ore industry is controlled by SNIM S.E.M., a company that sprang from a government parastatal. SNIM was formed on 27th July 1972 as a wholly owned government corporation to further develop the rich ores of Kedia. It in turn took over the foreign owned Company MIFERMA (Soc. des Mines de Fer de Mauritanie) in 1974 — MIFERMA was nationalised because 79% of its 'added value' profit was being transferred out of Mauritania and the iron ore industry, already 11 years old, was due for indigenization. The owners of MIFERMA were not too upset and remain in the front rank of importers of Mauritanian ore — France, Italy, the UK, West Germany...

When it was seen that Kedia resources would be quickly exhausted partners were sought, to back the GUELBS project with its almost infinite reserve of 'workable' ores (5 to 6 billion tons). The ores of the El-Rhein and Oum Arwagan Guelbs for

In 1979, the World Bank was expecting this first phase to cost 444 million US current \$, but thanks to rigorous management of the project at its different stages (engineering, procurement and erection) and the setting of all the necessary conditions for a real and efficient international competition (tenders), SNIM has succeeded in bringing the cost of the project down to less than 350 million US current \$. It should be noted that this was achieved in spite of an actual inflation rate much higher than that taken into account in the World Bank appraisal.

The project is proceeding to schedule: over 100 contracts have already been signed. The first orders were placed December 1st 1979 and SNIM S.E.M. is on schedule for the first Guelbs production start-up in six months' time — i.e., July 1984, the culmination of a project that was first discussed as far back as 1967.

SNIM S.E.M. at Nouadhibou is a stronger company now than before the world recession and the disruptive Polisario raids in 1977 and 1978; more Mauritaniaized (90% of wages/salaries are paid to Mauritania) — the expatriate complement has been cut to the bone without commitment loss of efficiency, tougher and more market orientated. The 60,000 SNIM S.E.M. employees are directed at iron ore and its export, but indigenous steel production is also growing. The iron furnace and rolling mill at Nouadhibou are saving imports and creating a useful export income from steel reinforcing rods sold particularly to Senegal (CEAO duty free) and to Mali and Ivory Coast.

SNIM S.E.M. has been relieved of the embarrassment of the mid-Seventies

ments of the Akjoujt copper mine debts (SOMIMA), but still keeps its long view interest in copper, gypsum, explosives and oil products production — particularly for research. The phosphates of Bofal in southern Mauritania — 130 million tons — are ready for development and BRGM (Bureau de Recherches Géologiques et Minières) of France has reported favourably.

The Guelbs

Below is a picture of a black topped quartzite hill, a 'GUELBS'. These hills can be over 675 meters tall and are composed of 35% to 42% iron ores — magnetic quartzites. At least six billion tons in the Tiris area (West, North and East), stretching out in the desert to the North-East of Zouerate. The first of these hills of iron ore-bearing rock — and consequently resistant to erosion — to be brought into production will be El-Rhein (490 meters). The rate of production from start-up in July 1984 will be 6 million tons a year. By 1991 this can be 15 million tons (in tandem with Oum Arwagan — start-up set for 1989) all by open cast mining. The Guelbs iron ore-bearing rock will be treated before being sent to Nouadhibou's Port Minéralier for export.

Three groups of GUELBS that were looked at before El-Rhein and Oum Arwagan were chosen as the most suitable for the initial phase:

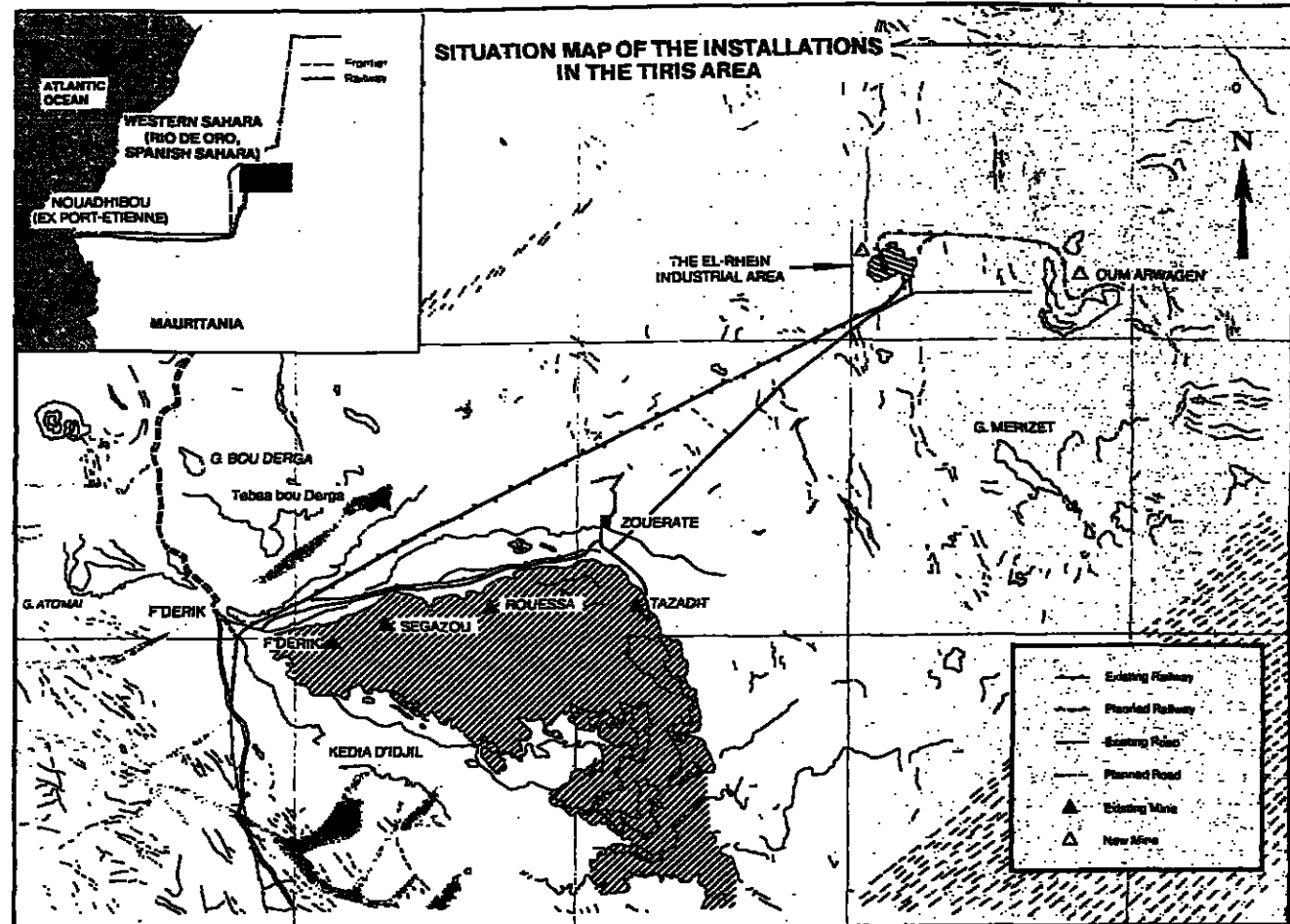
a) The western group to the North and West of F'Derik — Atomai (675m), Tintekrat El-Beida, Bou Derga and El Ajoujt — from 5 to 25 km distant and representing 980 million tons of ore.

b) The eastern group lying to the North East of Zouerate 20-30 km distant — El-Rhein, Oum Arwagan and Merizet — represents 500 million tons of ungraded ores; El-Rhein has 285 million tons and was chosen first.

c) The Northern group includes Guelbs Lehdid (the word *lehdid* means iron in Arabic) which has been renowned since the middle ages and has the biggest reserves of all.

Added together, there are certainly over 6 billion tons of these Guelbs quartzites and iron oxide ores, more or less martitized to be exploited in the Tiris rectangle (125 km square with the El-Rhein Guelbs roughly in the middle) quite apart from the usable iron ore still left in the Kedia massif. The whole Tiris iron ore-bearing rock area is inside Mauritania's frontiers.

American and European tests in the mid-Seventies



showed that Guelbs ore is good. The Zouerate pilot plant supplied samples of Guelbs concentrates to France, Belgium, the UK, Spain, West Germany and Japan with excellent results. The tests were exhaustive, over 30,000 tons of Guelbs ore have been treated by the pilot plant.

Guelbs iron ore shipped from Nouadhibou should secure the same prices as Kedia iron ore — \$19.82 a

tonne in 1982. Now that the USA, Japan and West Europe seem to be pulling out of recession, demand and price should move ahead too. Kedia ore was always profitable for SNIM/SNIM S.E.M.; even in 1982 when sales slipped to 7.65 million tons, SNIM S.E.M. made a handsome profit — nearly double 1980's \$10 million, when 8.7 million tons (MT) were shipped. Austerity measures, taken in time, saved SNIM S.E.M. from going into loss in 1982, although sales per month dipped below 300,000 tons in one month, and real capacity for 1982 was estimated at 12 MT. Guelbs iron ore will come on sale by September 1984 and should reach export sales of 14 to 15 MT by 1990, when Kedia annual iron ore production will be down to 2 or 3 MT from just the Tezadit VI and Segazou mines.

MAJOR CUSTOMERS	
France, Italy, Belgium and the UK are Mauritania's major customers for iron ore:	
1978	1979
France — 2.20 MT	France — 3.09 MT
Italy — 1.45 MT	Italy — 1.44 MT
UK — .88 MT	Belgium — 1.21 MT
Belgium — .51 MT	

turns eastwards again for the railroad at Zouerate — 650 km from Nouadhibou and along side the Kedia ore deposits at Tazadit.

SNIM S.E.M. envisage running up to 5 trains a day (15,000 tons of ore each one) some time in 1991; when both Guelbs in the first phase are fully operational — 3 trains a day should be the minimum. The El-Rhein wagon loading equipment is already 75% completed.

The Port

Nouadhibou (formerly Port Etienne) is built on the peninsula that used to be called Cap Blanc and is tucked well into the Bay of Lévrier. When Mauritania signed its peace treaty with the Polisario in Algeria in August 1979, it gave up the area of Western Sahara (Rio de Oro) it had briefly occupied, excepting La Guera. This small fishing port is on the Atlantic side of the peninsula, whilst the Port Minéralier is directly opposite on the eastern side just inside Ras Nouadhibou. La Guera effectively guards the Port Minéralier, but Mauritania should give it up when peace is restored in this area — though it would prefer to negotiate a small frontier change so that all the peninsula belongs to Mauritania. The investment in Nouadhibou (population 60,000), the Refinery and SNIM's HQ/Quay/Repair Shops etc. has been considerable.

Nouadhibou/SNIM have a big advantage over their South American rivals — Rotterdam is less than 7 days sailing from Nouadhibou whilst South American ore is about 21 days away.

The Port Minéralier will be re-equipped to be ready to handle the Guelbs ore when they start coming down the line circa September 1984 —

Loans

Mauritania started repayments on its GUELBS loans in April last year, but repayments do not become onerous before Guelbs ore production should have reached 6 MT per annum in 1985. Repayments then should run at \$50 million a year. The revival in the world industrial economy

is coming at just the right time for Mauritania, and the GUELBS funding should not have to be rescheduled. There is already the capacity to increase sales back to over 9 MT per annum although projections do not envisage exports on this scale before 1990.

The El-Rhein Plant

The first train full of Guelbs concentrates is likely to pull out from the El-Rhein loading station in September 1984. The official opening of the El-Rhein plant will probably take place in July 1984. At the time the stockpile of iron ore ready for processing will be well over 4 MT.

The plant itself lies close under the Eastern side of El-Rhein and 10/12 km from the second Guelbs, Oum Arwagan.

800 to 1,800 tons per hour. The dry system of passing the ores through the grinding, screening, magnetic separation and remilling processes, raises the ore content from its initial 37/42% Fe to 52/53% Fe and so to a final concentrate of 65.7% Fe (1600 Micron size) for the GMAB quality and of 65% Fe (300 Micron size) for the GEM grade.

Naturally, in separating out the ores from the other components of a Guelbs, the El-Rhein plant has a considerable waste disposal problem of tailings (LIMS waste and filter fines). Here, some water is needed — after 'wetting' the waste passes via conveyor belts to an area South of El-Rhein where great spurs of this material look like oddly shaped sand dunes.



When both Guelbs are in full production in 1991, 66 million tons of Guelbs will have to be dug away annually in order to yield 33 million tons of Guelbs ores for the primary crusher and from which the plant will produce 15 million tons of concentrates.

The sorted ore is carried down from the mine head in the enormous 80 ton capacity trucks and they tip the ore into the primary crushers, where it is ground down from sizeable rocks to 300 mm 'stones'.

The noise made by the primary crusher is hell-like, it uses 600 kw to produce its 3,900 tons per hour of crushed ores. From its base, the conveyor belts take the 'stomp' to a stockyard with a capacity of 480,000 tons (8 stock piles of 60,000 tons each). There are 4 qualities of ore and an automatic sampling tower allows accurate control of all the mine's production.

From the stockyard, two bucket wheel diggers ('reclaimers') pour the ore on to conveyor belts — leading to the Aérofall Mill. Each of the 2 Aérofalls is a large unit, 10.59 meters in diameter by 2.56 meters wide, and consumes enormous quantities of electricity in order to grind down the ore by a dry semi-autogenous process. The Aérofalls, mounted side by side, dictate that the power station needed a capacity of 56 megawatts (4 turbines 14 mw each) to feed the entire El-Rhein plant and these rotating monsters have an output of

The enriched ores are stockpiled close by the new El-Rhein rail head, 4 x 60,000 tons; again with conveyor belt 'feed' straight into the rail wagons — 45 wagons can be loaded in one hour, i.e. 4,000 tons an hour capacity through the loading tower.

Trains from El-Rhein hook into the original Zouerate-Nouadhibou line at F'Derik, this leaves the original track from F'Derik to Zouerate unencumbered to move the remaining Kedia ores of Segazou and Tazadit VI to the sea and makes the distance from El-Rhein to Nouadhibou a few kilometers shorter than if the new spur line had actually been extended from Zouerate to El-Rhein. Taking just 2 trains a day, the saving of even 10 km per train over one year is very considerable.

The new 20 km tarmac road, built between El-Rhein and Zouerate is for everyday use by the shift workers of the new plant and the miners of the Guelbs; 523 new lodging houses have been built in Zouerate for these workers. Thus, Zouerate, which came into existence 20 years ago for the development of the Kedia ores now doubles for the new GUELBS development, a base camp with a new lease of life. The other SNIM S.E.M. village is outside Nouadhibou near to the Headquarters complex — again with houses and apartments, its own hotel, a social club, sports facilities, shops — SNIM S.E.M. looks after its own people and visitors too.



M. Baba Ould Sidi Abdallah, Administrateur Directeur-Général of SNIM.

Phase One and Two were the most interesting and the overall development cost for these was below \$400 million. In July 1978, SNIM S.E.M. was formed; 71% of the shares were still held by the government but the remaining 29% was sold off to:

The Arab Mining Company
The Islamic Development Bank
The Kuwait Foreign Trading, Contracting & Investment Co.
Le Bureau de Recherches et de Participation Minières (MAROC)
The State Organisation for Minerals (IRAQ)

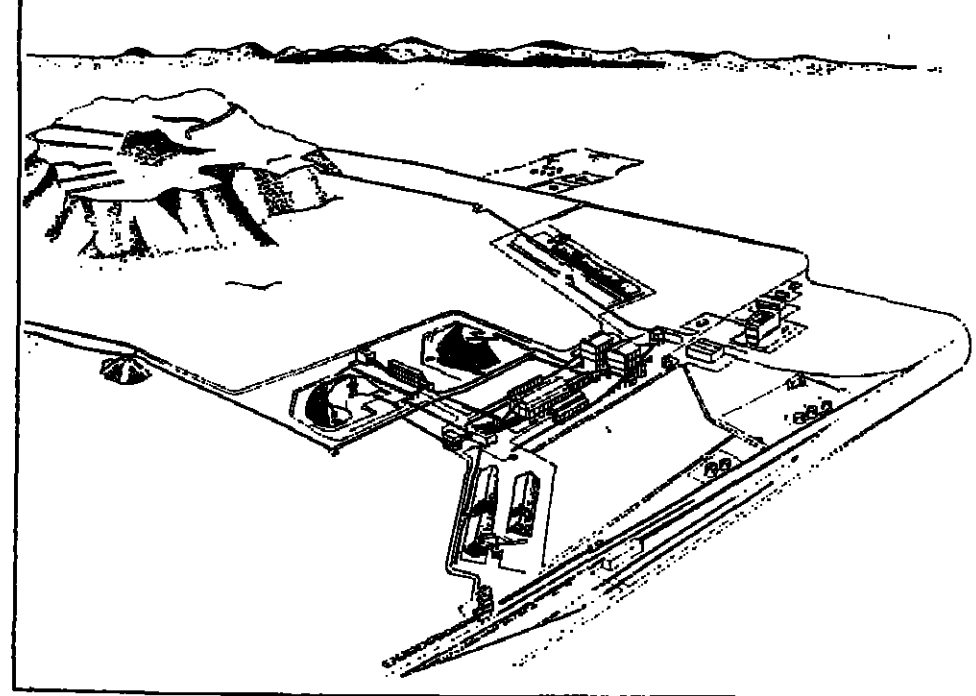
The equity capital was set at over 9 billion Ouguiyas (at the fixed rate of 45.5 Ouguiyas to the US Dollar) and 5 foreigners were admitted to the controlling Conseil d'Administration consisting of 12 members. The Ministry of Industrialization and of Mining is the overall controlling administration.

Twelve international organisations are co-financing the GUELBS project:

\$65 million	— Saudi Fund for Development;
\$60 million	— World Bank;
\$50 million	— Caisse Centrale de Coopération Economique (France) (\$30 million) with:
	Banque Française du Commerce Extérieur and Banque de Paris et des Pays-Bas (\$20 million between them)
\$45 million	— Kuwait Fund of Arab Economic Development;
\$35 million	— Arab Fund for Economic and Social Development;
\$30 million	— Banque Européenne d'Investissements;
\$20 million	— Abu Dhabi Fund for Arab Economic Development;
\$16 million	— Overseas Economic Cooperation Fund (Japan);
\$12 million	— Banque Africaine de Développement (African Development Bank);
\$5 million	— OPEC Special Fund.

\$338 million in all for a project initially estimated at \$485 million. SNIM — S.E.M. shareholders have provided the remaining financial backing necessary for the first phase.

GUELBS PROJECT View of Industrial Plant at El-Rhein



EXPORTS OF MAURITANIAN IRON ORE

1977	8.4 MT	1980	8.7 MT
1978	6.5 MT*	1981	8.9 MT
1979	9.3 MT†	1982	7.6 MT

Notes: * By December 1978 SNIM S.E.M. held over 1.33 MT of iron ore stock at Nouadhibou, UP almost 1 MT on the beginning of 1978. In 1978, 7.43 MT of iron ore was brought down from Zouerate — 92,804 rail wagon loads.

† 9 million ton exports may not be seen again before 1990. 1979 was an exceptional year with sales up 44% on 1978's.

AMEX Most Actives					
	Vol.	High	Low	Close	Ch'ge
DorGos	2247	21 1/4	20 3/4	21	+ 1/4
Schubn	2094	21 1/4	21	21	+ 1/4
Wentz	1550	21 1/4	21 1/4	21 1/4	+ 3/4
AMFB	1231	22 1/2	22	22 1/2	+ 1/2
SPellau	1016	4 1/2	4 1/2	4 1/2	- 1/4
NiCim	772	22	20 3/4	21 1/4	+ 1/4
CPN	395	3 1/2	3 1/2	3 1/2	+ 1/4
Vibrom	357	1 1/2	1 1/2	1 1/2	+ 1/4
Phar	407	3 1/2	3 1/2	3 1/2	+ 1/4
Helzer	454	14	13 1/2	13 1/2	+ 1/4

AMEX Stock Index			
High	Low	Close	Ch'ge
263.75	264.10	264.21	-1.45

[illegible]

一、	元	100.00	100.00
二、	元	200.00	200.00
三、	元	300.00	300.00
四、	元	400.00	400.00
五、	元	500.00	500.00
六、	元	600.00	600.00
七、	元	700.00	700.00
八、	元	800.00	800.00
九、	元	900.00	900.00
十、	元	1000.00	1000.00
十一、	元	1100.00	1100.00
十二、	元	1200.00	1200.00
十三、	元	1300.00	1300.00
十四、	元	1400.00	1400.00
十五、	元	1500.00	1500.00
十六、	元	1600.00	1600.00
十七、	元	1700.00	1700.00
十八、	元	1800.00	1800.00
十九、	元	1900.00	1900.00
二十、	元	2000.00	2000.00
二十一、	元	2100.00	2100.00
二十二、	元	2200.00	2200.00
二十三、	元	2300.00	2300.00
二十四、	元	2400.00	2400.00
二十五、	元	2500.00	2500.00
二十六、	元	2600.00	2600.00
二十七、	元	2700.00	2700.00
二十八、	元	2800.00	2800.00
二十九、	元	2900.00	2900.00
三十、	元	3000.00	3000.00
三十一、	元	3100.00	3100.00
三十二、	元	3200.00	3200.00
三十三、	元	3300.00	3300.00
三十四、	元	3400.00	3400.00
三十五、	元	3500.00	3500.00
三十六、	元	3600.00	3600.00
三十七、	元	3700.00	3700.00
三十八、	元	3800.00	3800.00
三十九、	元	3900.00	3900.00
四十、	元	4000.00	4000.00
四十一、	元	4100.00	4100.00
四十二、	元	4200.00	4200.00
四十三、	元	4300.00	4300.00
四十四、	元	4400.00	4400.00
四十五、	元	4500.00	4500.00
四十六、	元	4600.00	4600.00
四十七、	元	4700.00	4700.00
四十八、	元	4800.00	4800.00
四十九、	元	4900.00	4900.00
五十、	元	5000.00	5000.00
五十一、	元	5100.00	5100.00
五十二、	元	5200.00	5200.00
五十三、	元	5300.00	5300.00
五十四、	元	5400.00	5400.00
五十五、	元	5500.00	5500.00
五十六、	元	5600.00	5600.00
五十七、	元	5700.00	5700.00
五十八、	元	5800.00	5800.00
五十九、	元	5900.00	5900.00
六十、	元	6000.00	6000.00
六十一、	元	6100.00	6100.00
六十二、	元	6200.00	6200.00
六十三、	元	6300.00	6300.00
六十四、	元	6400.00	6400.00
六十五、	元	6500.00	6500.00
六十六、	元	6600.00	6600.00
六十七、	元	6700.00	6700.00
六十八、	元	6800.00	6800.00
六十九、	元	6900.00	6900.00
七十、	元	7000.00	7000.00
七十一、	元	7100.00	7100.00
七十二、	元	7200.00	7200.00
七十三、	元	7300.00	7300.00
七十四、	元	7400.00	7400.00
七十五、	元	7500.00	7500.00
七十六、	元	7600.00	7600.00
七十七、	元	7700.00	7700.00
七十八、	元	7800.00	7800.00
七十九、	元	7900.00	7900.00
八十、	元	8000.00	8000.00
八十一、	元	8100.00	8100.00
八十二、	元	8200.00	8200.00
八十三、	元	8300.00	8300.00
八十四、	元	8400.00	8400.00
八十五、	元	8500.00	8500.00
八十六、	元	8600.00	8600.00
八十七、	元	8700.00	8700.00
八十八、	元	8800.00	8800.00
八十九、	元	8900.00	8900.00
九十、	元	9000.00	9000.00
九十一、	元	9100.00	9100.00
九十二、	元	9200.00	9200.00
九十三、	元	9300.00	9300.00
九十四、	元	9400.00	9400.00
九十五、	元	9500.00	9500.00
九十六、	元	9600.00	9600.00
九十七、	元	9700.00	9700.00
九十八、	元	9800.00	9800.00
九十九、	元	9900.00	9900.00
一百、	元	10000.00	10000.00

گزارش

BUSINESS PEOPLE

A Morgan Takes Lead Role For Morgan Grenfell in U.S.

Morgan Grenfell & Co., the London-based merchant bank, has appointed John A. Morgan chairman and a member of the board of Morgan Grenfell Inc., its subsidiary in New York.

Mr. Morgan, 53, is a great-grandson of Julius Rosenberg, the founder of Morgan Grenfell. He is also a great-grandson of the founder of Morgan Grenfell's predecessor firm, J.S. Morgan & Co. His great-grandfather and his grandfather, both named J.P. Morgan, built Morgan

Bank into one of the leading banks of the early 1900s. His father was one of the founders of Morgan Stanley.

"It's more efficient to have a senior American as chairman of our New York operations," said Christopher Whittington, who is based in London and has been named executive vice chairman of the New York unit. "And it never hurts to have a Morgan in there," said a London-based analyst.

Not only will Morgan Grenfell be looking to bolster its mergers and acquisitions business in the United States, but it is "looking at things" like risk arbitrage, trading in U.S. government securities, and managing pension funds, and domestic pension management in the United States, said Mr. Whittington.

The company said that Mr. Morgan's post as chairman of Morgan Grenfell Inc. will be a non-executive one and he will therefore continue as senior partner of Morgan Lewis Githens & Ahn, a New York investment banking firm he helped found in 1982.

Koning Is Proposed As Grundig Chairman

Herman Koning will be nominated as chairman of Grundig AG if the West German Cartel Office approves Philips NV's bid to raise its stake in the consumer-electronics concern to 31.6 percent from 24.5 percent, effective April 1.

Mr. Koning, 59, is chairman of Allgemeine Deutsche Philips Industrie GmbH, the West German holding company for Philips. He would succeed Max Grundig, the company's founder and chief.

Pan Am Posts Established

Pan American World Airways has created an office of the chairman "in a move to streamline the company's senior management organization," the New York-based carrier said.

The reorganization is effective March 1. The chairman's office will be composed of C. Edward Acker, chairman and chief executive officer, and two vice chairmen — Gerald L. Giner, formerly executive vice president, finance, and Martin R. Shugrue Jr., formerly senior vice president, marketing.

Mr. Shugrue, 43, joined Pan Am in 1968 as a pilot-flight engineer. He subsequently held executive positions in the personnel, labor-relations and field marketing departments, including that of regional managing director for the United Kingdom and Western Europe, based in London. Mr. Giner, 38, joined Pan Am in March 1982 as senior vice president, marketing and planning, from People Express.

Other Appointments

André George, a partner of Price Waterhouse & Partners, has been appointed special financial adviser to the Luxembourg government on financial matters relating to the restructuring of the Luxembourg steel industry.

Mr. George has been with Price Waterhouse & Partners since it was formed in early 1983. Before that he was with the French treasury and the international division of Société Générale, before serving as director of finance and treasury at the European Investment Bank from 1974 to 1982.

E.K. Den Bakker, chairman of the executive board of Nationale-Nederlanden NV, the Netherlands' largest insurance group, will retire at the end of the year. Named to succeed him is T.C. Brankman, O. Hatnik, who became deputy chairman of the executive board.

Dow Chemical has appointed Frank P. Popoff a vice president. Mr. Popoff, 49, will continue to serve as president of Dow Chemical Europe, a post he has held since January 1981. He has been a member of the Dow board since December 1982. Dow Europe is an operating area of the Midland, Michigan-based chemical concern that encompasses Eastern and

Western Europe, the Middle East and Africa. Mr. Popoff is based at Dow Europe's headquarters in Horgen, near Zurich.

Raymond Wright has been appointed general manager of National Advanced Systems U.K., succeeding John Clevens, who continues as vice president for Northern Europe. Mr. Wright was managing director of United Financial Services, a subsidiary of United Leasing PLC, a British leasing company. National Advanced Systems, a unit of National Semiconductor Corp., is a supplier of IBM-compatible computer systems and related products.

André de Sike has been appointed to the board of Paris-based Charterhouse SA, which was formed in 1972 to provide development capital to private French companies. Charterhouse SA is owned by Charterhouse J. Rothschild.

Morgan Guaranty Trust Co. of New York has appointed Rodney B. Wagner vice chairman of the credit-policy committee. He will oversee the bank's loan-portfolio management, including country limits, sovereign credit advisory,

and the financial analysis department. In addition, Mr. Wagner will continue to work on senior banking assignments and special projects for clients in Asia, the Middle East and Africa.

BAT Industries has appointed Sir Denis Mountain and David-Jess directors. Sir Denis is chairman and managing director and Mr. Jess is deputy chairman of Eagle Star Holdings PLC, which recently was acquired by the London-based tobacco, retailing and paper concern. In addition, Patrick Sheehy and Brian Garraway have been appointed to the boards of Eagle Star Holdings and Eagle Star Insurance Co. Mr. Sheehy is chairman and Mr. Garraway deputy chairman of BAT.

Aérospatiale, the French state-owned aerospace concern, has appointed Michel Thomas head of the helicopter division, succeeding François Legendre. Succeeding Mr. Thomas as president and general director of SECA and Sogerma, units of Aérospatiale that specialize in aerospace maintenance, is Jacques Hahlor.

—BRENDA HAGERTY in London

EC Ministers Assail Protectionism in U.S.

BRUSSELS — The European Community Tuesday noted with "disquiet" what it called rising protectionist pressures in the United States.

Its foreign ministers, meeting here, said in a statement that measures under consideration in Washington could affect \$4.7 billion of EC exports to the United States.

The statement was issued shortly after the ministers rejected French efforts to open proceedings in the General Agreement on Tariffs and Trade, which regulates world trade, to limit imports of U.S. cereal substitutes.

Diplomats said ministers contended that the EC could not warn the United States against breaking its free-trade commitments while pursuing protectionist measures of its own.

They said the statement was meant to support President Ronald Reagan's anti-protectionist administration in resisting strong pressures in this U.S. election year.

The ministers' statement recognized that the Reagan administration "has taken a firm stand against protectionist pressures," but said the situation remained alarming.

The statement noted that Washington had been asked to take action on imports including steel, wine and machine tools.

The ministers warned that U.S. action "could lead to a dangerous increase in trade restrictions and to a rapid erosion of the open multilateral trading system on which world prosperity depended."

They also reminded Washington of the commitment at last year's Williamsburg summit to halt protectionism and reverse it by dismantling trade barriers.

The diplomats said ministers from Britain, West Germany and the Netherlands were among others who opposed issuing a tougher statement, fearing it might undermine the administration's attempts to stem protectionism.

They had earlier argued it was untimely to take action on corn, wheat, a cheap cereal substitute, used for animal feed.

But the ministers agreed that the EC's aim remained to stabilize imports of this product once the EC had reformed its largely protectionist cereal and dairy subsidies system, the diplomats added.

Grains

WHEAT	Open	High	Low	Settle	Chg.
Mar	131.12	132.75	130.75	131.75	+0.14
May	131.12	132.75	130.75	131.75	+0.14
Jul	131.12	132.75	130.75	131.75	+0.14
Soybeans	131.12	132.75	130.75	131.75	+0.14
Mar	131.12	132.75	130.75	131.75	+0.14
May	131.12	132.75	130.75	131.75	+0.14
Jul	131.12	132.75	130.75	131.75	+0.14

SOYBEANS	Open	High	Low	Settle	Chg.
Mar	131.12	132.75	130.75	131.75	+0.14
May	131.12	132.75	130.75	131.75	+0.14
Jul	131.12	132.75	130.75	131.75	+0.14

SOYBEAN MEAL	Open	High	Low	Settle	Chg.
Mar	131.12	132.75	130.75	131.75	+0.14
May	131.12	132.75	130.75	131.75	+0.14
Jul	131.12	132.75	130.75	131.75	+0.14

SOYBEAN OIL	Open	High	Low	Settle	Chg.
Mar	131.12	132.75	130.75	131.75	+0.14
May	131.12	132.75	130.75	131.75	+0.14
Jul	131.12	132.75	130.75	131.75	+0.14

SOYBEAN OIL	Open	High	Low	Settle	Chg.
Mar	131.12	132.75	130.75	131.75	+0.14
May	131.12	132.75	130.75	131.75	+0.14
Jul	131.12	132.75	130.75	131.75	+0.14

SOYBEAN OIL	Open	High	Low	Settle	Chg.
Mar	131.12	132.75	130.75	131.75	+0.14
May	131.12	132.75	130.75	131.75	+0.14
Jul	131.12	132.75	130.75	131.75	+0.14

SOYBEAN OIL	Open	High	Low	Settle	Chg.
Mar	131.12	132.75	130.75	131.75	+0.14
May	131.12	132.75	130.75	131.75	+0.14
Jul	131.12	132.75	130.75	131.75	+0.14

SOYBEAN OIL	Open	High	Low	Settle	Chg.
Mar	131.12	132.75	130.75	131.75	+0.14
May	131.12	132.75	130.75	131.75	+0.14
Jul	131.12	132.75	130.75	131.75	+0.14

SOYBEAN OIL	Open	High	Low	Settle	Chg.
Mar	131.12	132.75	130.75	131.75	+0.14
May	131.12	132.75	130.75	131.75	+0.14
Jul	131.12	132.75	130.75	131.75	+0.14

SOYBEAN OIL	Open	High	Low	Settle	Chg.
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Jul	131.12	132.75	130.75	131.75	+0.14

SOYBEAN OIL	Open	High	Low	Settle	Chg.
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SOYBEAN OIL	Open	High	Low	Settle	Chg.
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Jul	131.12	132.75	130.75	131.75	+0.14

SOYBEAN OIL	Open	High	Low	Settle	Chg.
Mar	131.12	132.75	130.75	131.75	+0.14
May	131.12	132.75	130.75	131.75	+0.14
Jul	131.12	132.75	130.75	131.75	+0.14

SOYBEAN OIL	Open	High	Low	Settle	Chg.
Mar	131.12	132.75	130.75	131.75	+0.14
May	131.12	132.75	130.75	131.75	+0.14
Jul	131.12	132.75	130.75	131.75	+0.14

SOYBEAN OIL	Open	High	Low	Settle	Chg.
Mar	131.12	132.75	130.75	131.75	+0.14
May	131.12	132.75	130.75	131.75	+0.14
Jul	131.12	132.75	130.75	131.75	+0.14

SOYBEAN OIL	Open	High	Low	Settle	Chg.
Mar	131.12	132.75	130.75	131.75	+0.14
May	131.12	132.75	130.75	131.75	+0.14
Jul	131.12	132.75	130.75	131.75	+0.14

SOYBEAN OIL	Open	High	Low	Settle	Chg.
Mar	131.12	132.75	130.75	131.75	+0.14
May	131.12	132.75	130.75	131.75	+0.14
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SOYBEAN OIL	Open	High	Low	Settle	Chg.
Mar	131.12	132.75	130.75	131.75	+0.14
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SOYBEAN OIL	Open	High	Low	Settle	Chg.
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SOYBEAN OIL	Open	High	Low	Settle	Chg.
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May	131.12	132.75	130.75	131.75	+0.14
Jul	131.12	132.75	130.75	131.75	+0.14

SOYBEAN OIL	Open	High	Low	Settle	Chg.
Mar	131.12	132.75	130.75	131.75	+0.14
May	131.12	132.75	130.75	131.75	+0.14
Jul	131.12	132.75	130.75	131.75	+0.14

U.S. Futures Prices Feb. 21

Grains	Open	High	Low	Settle	Chg.
WHEAT	131.12	132.75	130.75	131.75	+0.14
SOYBEANS	131.12	132.75	130.75	131.75	+0.14
SOYBEAN MEAL	131.12	132.75	130.75	131.75	+0.14
SOYBEAN OIL	131.12	132.75	130.75	131.75	+0.14

Grains	Open	High	Low	Settle	Chg.
WHEAT	131.12	132.75	130.75	131.75	+0.14
SOYBEANS	131.12	132.75	130.75	131.75	+0.14
SOYBEAN MEAL	131.12	132.75	130.75	131.75	+0.14
SOYBEAN OIL	131.12	132.75	130.75	131.75	+0.14

Grains	Open	High	Low	Settle	Chg.
WHEAT	131.12	132.75	130.75	131.75	+0.14
SOYBEANS	131.12	132.75	130.75	131.75	+0.14
SOYBEAN MEAL	131.12	132.75	130.75	131.75	+0.14
SOYBEAN OIL	131.12	132.75	130.75	131.75	+0.14

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SOYBEANS	131.12	132.75	130.75	131.75	+0.14
SOYBEAN MEAL	131.12	132.75	130.75	131.75	+0.14
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SOYBEAN OIL	131.12	132.75	130.75	131.75	+0.14

Aug	943.0	948.0	911.0	927.0	+9.0
Aug	933.0	938.0	901.0	917.0	+8.0
Est. Sales	735.0	740.0	700.0	715.0	+5.0
Prev. Sales	720.0	725.0	685.0	700.0	+5.0
Prav. Day Open	31.3225	oct 176			
Aug	913.0	920.0	886.0	902.0	+9.0
Aug	903.0	910.0	876.0	892.0	+9.0
Est. Sales	715.0	720.0	680.0	695.0	+5.0
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A Matter of Seconds

Is this really doing something for your country? I guess so. Still when it takes a year to amass it and half a second to spend it you can't help wondering about the necessity of doorkeepers and doorknobs.

New York Times Service

ended the British Royal

Prince Bandar bin Sultan Is Saudi Arabia's Man in Washington.



avid skier, and in December, when his children were on holiday from the private schools they attend in Washington, he flew them

"I had to do almost everything — plus," he says of his air force

When he was named ambassador, he also became the Saudi representative in efforts to bring about a cease-fire in Lebanon.

"If I were a diplomat, I wouldn't say that, but it is the reality of politics."

Mayor Edward Koch of New York is in Rome to visit its mayor and other Italian officials.

Festivities in Stockholm Planned for Monday

Calvin Klein has been named outstanding American talent of 1983 in women's fashion; design and Perry Ellis has won the award for men's fashion from the Council of Fashion Designers of America. Mary McFadden, president of the council, said the group named Giorgio Armani and Issey Miyake the most influential designers outside the United States.

Mayor Edward Koch of New York is in Rome to visit its mayor and other Italian officials.

INTERNATIONAL CLASSIFIED

ANNOUNCEMENTS DIVORCE IN 24 HOURS Mutual or contested actions, low cost. No court or Dominion fees. \$275 for 24-page certificate, and \$375 for 24-page certificate, including Dr. F. Gonzalez, O.C.A., 1802 K. St. N.W., Ottawa, K1A 0K6. U.S.A. Tel. 222-8331		GENERAL POSITIONS AVAILABLE WORD PROCESSOR OPERATOR (ITV-CP) , English mother tongue or American with work permit, challenging job work, high pay. Office: Start immediately, Contact Mr. Roberts, 340 48 62 Paris.		<h1 style="text-align: center;">INTERNATIONAL CLASSIFIED</h1>										REAL ESTATE FOR SALE PARIS & SUBURBS AVENUE FOCH Last floor facing Saint, exceptional plus-d-étage. Tel. 254 71 95.		REAL ESTATE FOR SALE PARIS & SUBURBS NEAR LUXEMBOURG 200 sqm, townhouse, beautiful vaulted cellar, 79,600,000. Tel. 766 53 00.		REAL ESTATE FOR SALE PARIS & SUBURBS PARIS Flat in old 18th century townhouse, 200 sqm, duplex + mezzanine, 60 sqm terrace. Dorey 624 93 33.		REAL ESTATE FOR SALE PARIS & SUBURBS CLOSÉ RUE FRANÇOIS 1^{er} Beautiful 60 sqm duplex in old building, high floor. Exceptional location. 202 05 05.		REAL ESTATE FOR SALE PARIS & SUBURBS YOUR OWN LAKEFRONT PROPERTY On Lake Beauport in lovely Coteau de la Rivière, 33,000 sqm, corner plot, 2 sandy beaches, excellent investment on future high rise development. 33,000 sqm, impossible to repeat. Write to: c/o 678, Herald Tribune, 92521 Neulay Cedex, France 12212 USA.		REAL ESTATE FOR SALE USA RESIDENTIAL PORT LAUDERDALE, FLORIDA Lovely home, 4 bedrooms, 3 baths, located on one of the most beautiful and private roads. Don't dwell with the owner, will take any currency even US Dollars. Phone 516-649. Write him 12204, Albany, New York 12212 USA.		REAL ESTATE FOR SALE USA GENERAL FARMHAND PRICES ARE LOW Recently priced, newly farm ground in beautiful Ohio, USA, 260 acres, 3.3 acre stocked lake. For details write P.O. Box 1246, Lima, Ohio 43021 or call (419) 228-3541.		REAL ESTATE FOR SALE GREY NAVOS CYCLADES Small 17th century 71 room house for sale. Phone 14 8994 7216.		REAL ESTATE FOR SALE ITALY FRANZISAN STRADA Minutes away from Venice, 1000 sqm, 5 bedrooms, 4 baths, party for restoration, overlooking Bryant's hot lake. Approx. price \$100,000. Tel. London 552 3392.		<div style="border: 2px solid black; padding: 10px; text-align: center;"> PAGE 17 FOR MORE CLASSIFIEDS </div>	
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INTERNATIONAL BUSINESS MESSAGE CENTER

ATTENTION BUSINESSMEN: Publish your business message in the *International Herald Tribune*, where more than a third of a million readers worldwide, most of whom are in business and industry, will read it. Just telex us (Paris 613595) before 10 a.m., ensuring that we can telex you back, and your message will appear within 48 hours. The rate is U.S. \$9.10 or local equivalent per line. You must include complete and verifiable billing address.

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